

ANNUAL BUDGET OF MKHAMBATHINI MUNICIPALITY



2018/19 TO 2020/21 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Table of Contents

PART 1 – ANNUAL BUDGET	2 - 37
1.1 MAYOR’S REPORT	
1.2 COUNCIL RESOLUTIONS	
1.3 EXECUTIVE SUMMARY	
1.4 OPERATING REVENUE FRAMEWORK	
1.5 OPERATING EXPENDITURE FRAMEWORK	
1.6 CAPITAL EXPENDITURE	
1.7 ANNUAL BUDGET TABLES	
PART 2 – SUPPORTING DOCUMENTATION	38- 74
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS	
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	
2.4 OVERVIEW OF BUDGET RELATED-POLICIES	
2.5 COUNCILLOR AND EMPLOYEE BENEFITS	
2.6 ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS	
2.7 CAPITAL EXPENDITURE DETAILS	
2.8 LEGISLATION COMPLIANCE STATUS	
2.9 OTHER SUPPORTING DOCUMENTS	
2.10 MUNICIPAL MANAGER’S QUALITY CERTIFICATE	
List of Tables	
Table 1 Consolidated Overview of the 2018/19 MTREF	
Table 2 Summary of revenue classified by main revenue source	
Table 3 Percentage growth in revenue by main revenue source	

Table 4 Operating Transfers and Grant Receipts

Table 8 MBRR Table SA14 – Household bills

Table 9 Summary of operating expenditure by standard classification item

Table 10 Operational repairs and maintenance

Table 12 2018/19 Medium-term capital budget per vote

Table 13 MBRR Table A1 - Budget Summary

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table 18 MBRR Table A6 - Budgeted Financial Position

Table 19 MBRR Table A7 - Budgeted Cash Flow Statement

Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Table 21 MBRR Table A9 - Asset Management

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

Table 24 IDP Strategic Objectives

Table 25 MBRR SA Table SA8 – Performance indicators and benchmarks

Table 26 MBRR SA22 - Summary of councillor and staff benefits

Table 27 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Table 28 MBRR SA24 – Summary of personnel numbers

Table 29 MBRR SA25 - Budgeted monthly revenue and expenditure

Table 30 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Table 31 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Table 32 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Table 33 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Table 34 MBRR SA30 - Budgeted monthly cash flow

Table 35 MBRR SA34a - Capital expenditure on the renewal of existing assets by asset class

Table 36 MBRR SA3b - Repairs and maintenance expenditure by asset class

Table 37 MBRR Table SA1 - Supporting detail to budgeted financial performance

Table 38 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Table 39 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Table 40 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative	M	Mayor
BPC	Budget Planning Committee	MBRR	Municipal Budget & Reporting Regulations
CFO	Chief Financial Officer	MEC	Member of the Executive Committee
CM	Municipality Manager	MFMA	Municipal Financial Management Act
CPI	Consumer Price Index	MIG	Municipal Infrastructure Grant
CRRF	Capital Replacement Reserve Fund	MPRA	Municipal Properties Rates Act
DBSA	Development Bank of South Africa	MSA	Municipal Systems Act
DoRA	Division of Revenue Act	MTEF	Medium-term Expenditure Framework
DWA	Department of Water Affairs	MTREF	Medium-term Revenue and Expenditure Framework
EE	Employment Equity	NERSA	National Electricity Regulator South Africa
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental Organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GAMAP	Generally Accepted Municipal Accounting Practice	OHS	Occupational Health and Safety
GDP	Gross Domestic Product	OP	Operational Plan
GDS	Gauteng Growth and Development Strategy	PBO	Public Benefit Organisations
GFS	Government Financial Statistics	PHC	Provincial Health Care
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
HSRC	Human Science Research Council	PPP	Public Private Partnership
IDP	Integrated Development Plan	PTIS	Public Transport Infrastructure System
IT	Information Technology	RG	Restructuring Grant
kℓ	kilolitre	RSC	Regional Services Council
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SAPS	South African Police Service
KPI	Key Performance Indicator	SDBIP	Service Delivery Budget Implementation Plan
kWh	kilowatt hour	SMME	Small Micro and Medium Enterprises
ℓ	litre		
LED	Local Economic Development		

Part 1 – Annual Budget

1.1 Mayor's Report

SPEECH BY THE MAYOR OF MKHAMBATHINI MUNICIPALITY

**CLLR. E. NGCONGO PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF THE
TABLING OF THE 2018/2019, 2019/2020 and 2020/2021 FINAL BUDGET IN THE COUNCIL
CHAMBERS, CAMPERDOWN,
ON TUESDAY, 29 MAY 2018**

Honourable Speaker,

Executive Committee Members,

Councillors,

Traditional leaders

Municipal Manager,

Strategic Managers,

Chief Financial Officer,

Municipal Staff,

Members of the media if any are present and Public,

Ladies and Gentlemen all protocol observed.

It is a great honour to present to you the multi-year budget for MKHAMBATHINI Municipality in respect of the 2018/19, 2019/20 and 2020/21 financial years.

Speaker and members of Council, this multi-year budget is tabled in terms of the Municipal Finance Management Act (MFMA), No 56 of 2003 and in terms of the Municipal Budget & Reporting Regulations. The MFMA, section 16 (1) states that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

Inflation is forecast to remain within the target range of 5% to 6.2%. The municipality have taken to cognisance the National Treasury's MFMA circular 89 and 91 when compiling the 2018/19 – 2020/21 MTREF Budget.

Cognisance should be taken that the SALGA is currently engaging with the trade unions for the new collective agreement on the staff salaries increment which has not yet been finalised and the municipality have budgeted 7% increment which is in line with the proposal made by the SALGA Facilitator.

Speaker, Council's Plan (IDP) to inform the 2018/19 financial year's budget was also tabled to Council today. I am pleased to announce that this draft budget is aligned to the draft revised IDP. Due to the current financial situation of MKHAMBATHINI Municipality we can only fund capital projects through the Municipal Infrastructure Grant which amounts to R 15,835 million. Few projects are funded from the Municipality's own reserves as per the detailed capital budget.

Governance

The Internal Audit Activity stills operate as an outsourced Internal Audit Services which is an indication of a commitment in promoting good governance. Internal Audit Activity has formed a working relationship with the Provincial Internal Audit Unit and National Treasury Risk and Internal Audit Support Unit for skills and resources sharing and to strengthen the Internal Audit Activities operations. A risk based audit plan has been developed and systems of internal control were tested to effectively monitor the vulnerability of operations within the municipality. Internal Audit also meets on a regular basis as well MPAC.

MKHAMBATHINI Municipality Youth Advisory Centre continues to service the youth who are seeking advice on careers, receiving vouchers for small businesses, life skills, and basic computer skills. The centre of gender issues also resides in the youth development office.

The municipality have achieved unqualified audit opinion with matters for three consecutive financial years (2014/15, 2015/16 and 2016/17) and the municipality is working tirelessly to address the matters of emphasis raised by Auditor-General in terms of ensuring that the municipality obtain the clean audit opinion. Action Plans to address the audit findings was developed and currently implemented.

Housing

Speaker, we have 4 housing projects within the MKHAMBATHINI Municipality. To date, low income houses have been constructed. These include areas such as Mbambangalo, Maqongqo, KwaNjobokazi and Kwa Mahleka. Furthermore, there are projects that are in the planning and packaging stage, which include Stockdale, Poortjie and Ward 7 Rural Housing and there are challenges which has been identified however the engagement between the municipal officials and the Department of Human Settlement is vital to ensure that the service is not affected.

Property Rates

- A Supplementary valuation roll has been received and the municipality is due to prepare the new General Valuation Roll which will be implemented on 01 July 2019 and the bid was advertised and the successful bidder has been appointed. There will be a visit by the municipality to all properties for new valuations and we request all councillors honourable Speaker to support the program and alert the community on the exercise to be done. The Rates Policy has been amended to make provision for the changes in the amendments to the Property rates act and regulations.
- There will be rates exemption up to R300 000 of the valuation for residential properties in 2018/19 as granted in the previous years.

I must mention Honourable Speaker that we had a successful public participation where the IDP/ Budget was tabled to the public and it was unanimously accepted by all wards. Provincial Treasury have also assessed the Municipal Budget and comments has been taken care of.

Back to basics

Speaker, we all aware of the concept of Back to basics and the importance of implementing a back to basic plan. We are fortunate that through the COGTA assessment, Mkhambathini Municipality was found to be functional, but we must still make every effort to improve on upholding the 5 pillars of the Back to Basics concept and improve the lives of our citizens. We continue to align ourselves to the programmes rolled out by National and Provincial Government. We have provided an amount in our budget to deal with some priorities of Back to basics.

mSCOA

Speaker, Local Government has seen many reforms since the Implementation of the Municipal Management Finance Act over the years. Previous year National Treasury commenced with the roll-out of programmes to implement the Municipal standard chart of accounts (mSCOA) and the municipalities were given ultimatum to comply with the mSCOA regulations through the implementation of the chart as from 01 July 2017. The municipality is currently implementing the mSCOA and Provincial Treasury is always there to assist the municipality where there are challenges.

Current Economic Conditions and Funding

Speaker, as you are aware, the Country is experiencing harsh economic times and is experiencing a severe drought. As a result of this, food prices and other essential commodities are rising rapidly. This prompted National and Provincial Government to introduce cost cutting and saving measures in order to deliver services and sacrifice effectively. As the result of this funding to Local Government has been being reduced.

Grant funding has been reduced and affects MIG which is used to build new infrastructure. The total revenue of the municipality consists of **73%** of the grants and subsidies and the reduction means that the municipality must cut other expenses. The MIG allocation has decreased by **3%** (from **R16,285** million to **R15,8** million) effect of Governments austerity measures, has placed the Municipal budget under pressure and the Municipality has also embarked on cost saving measures and introduced them in this budget. Prudent Financial Management and constant monitoring of the budget must take place during the year through in year monitoring.

I THANK YOU

1.2 Council Resolutions

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of Mkhambathini Municipality for the financial year 2018/2019 and indicative allocations for the two projected outer years 2019/2020 and 2020/2021, and the multi-year and single year capital appropriations are approved as set out in the following tables:

1.1 Budgeted Financial Performance (revenue & expenditure by standard classification)

1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)

1.3 Budgeted Financial Performance (revenue by source and expenditure by type)

1.4 Single year capital appropriations by municipal vote and standard classification and associated funding by source

2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables

2.1 Budgeted Financial Position

2.2 Budgeted Cash Flows

2.3 Cash backed reserves and accumulated surplus reconciliation

2.4 Asset Management

2.5 Basic service delivery measurement

3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of

2000 as amended all other tariffs as set out in other Supporting Documents be approved with effect from 1 July 2018.

4. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy as amended be approved

5. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003 the various budget-related policies as amended be approved.

6. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the rate randage and conditions as set out in Other Supporting Documents be approved be approved with effect from 1 July 2018

7. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework be approved

8. To take note that provision was made for a general increase of 7% on Employee Related Costs and 5% provision for the Upper limits for Remuneration and allowances for councillors, implementation being subject to the confirmation by the SALGBC for employees and approval by MEC for Co-operative Governance and Traditional Affairs for Councillors.

9. That once this budget is tabled the information be uploaded to the LG Portal with the necessary MSCOA information

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, travel, accommodation, and catering.

The Municipality has embarked on implementing a revenue collection strategy to optimize the collection of debt owed by ratepayers. In addition to supplementing the declining revenue base, and reduction in grant funding, a refuse tariff is implemented to areas within the Municipality where refuse is collected however there is still a challenge with the refuse collection service as the service is only carried out in the urban area of Camperdown and some farms/ agricultural properties to whole area of Mkhambathini.

National Treasury's MFMA No. 89 and 91 were used to guide the compilation of the 2018/19 MTREF.

The main challenges experienced during the compilation of the 2018/19 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and limited cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – allocations had to be reduced to grant funded projects and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2018/19 MTREF process; and

The following budget principles and guidelines directly informed the compilation of the 2018/19MTREF:

- The 2017/18 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2018/19 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the NT.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2018/19 MTREF

Description	Adjusted Budget 2017/18	Draft Budget 2018/19	Year 1 Budget 2019/20	Year 2 Budget 2020/21
Total Operating Revenue	88,184,336	93,577,055	95,172,704	104,898,213
Total Operating Expenditure	89,299,074	93,364,802	93,412,914	97,045,825
Surplus/ Deficit	(1,114,738)	212,253	1,759,790	7,852,388
Total Capital Expenditure	22,985,000	19,285,000	17,478,450	18,701,942

Total operating revenue has increased by 6.12 per cent or R 5, 392 million for the 2018/19 financial year when compared to the 2017/18 Adjustments Budget. For the two outer years, operational revenue will increase by R 1,595 million (0.1%) and increase by R 9,725 (10.2%) equating to a total revenue growth of R11,321 million over the MTREF when compared to the 2017/18 financial year.

Total operating expenditure for the 2018/19 financial year has been appropriated at R106,703 million and translates into a budget surplus of **R 212,253** exclusive of the capital budget. When compared to the 2017/18 Adjustments Budget, operational expenditure has increased by 4.5% in the 2018/19 budget and increase by 0.1% in 2019/20 and increased in 2020/21 by 3.9%.

The capital budget of R19,285 million for 2018/19 is 16,1% less when compared to the 2017/18 Adjustment Budget. The decrease is due to minimum funding available to fund projects from own funding after taking into account affordability constraints in the light of current economic circumstances. Only capital projects funded through the Municipal Infrastructure Grant is included in the 2018/19 capital budget and a portion of essential expenditure from own funding for acquisition of new vehicles and server room which has been identified as a huge risk for the municipality. The capital programme decreases to R17, 478 million in the 2019/20 financial year and then increases to R18, 702 million in 2020/21.

1.4 Operating Revenue Framework

For Mkhambathini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges over the next two financial years.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source**KZN 226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue management)**

Description R thousand	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Type			
Property rates	14 272 413	14,843,310	15,437,042
Service charges - refuse revenue	562 330	596 070	631 834
Interest earned - external investments	3 015 705	3 136 333	3 261 787
Licences and permits	5 331 171	5 544 417	5 766 194
Transfers recognised - operational	68 167 000	69 347 000	78 552 080
Other revenue	2 228 436	2 317 573	2 410 276
Total Revenue (excluding capital transfers and contributions)	93 577 055	95 784 703	106 059 213

Table 3 Percentage growth in revenue by main revenue source

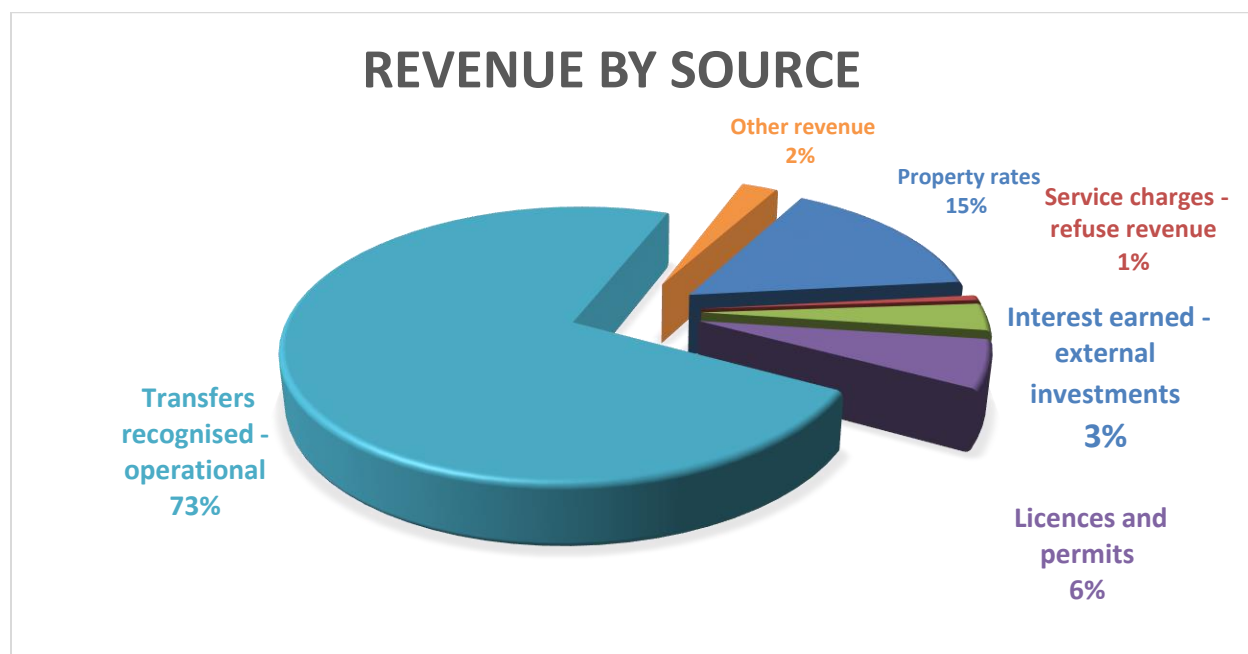
Revenue generated from rates forms a minor part of income generated by the Municipality. The majority of Municipal revenue come from equitable share. Operating Grants & Subsidies are also a source.

The format prescribed by National Treasury has been used to prepare the above schedule and the operating statement has excluded the capital transfers to allow the user to see whether the operating activities of municipality results to the deficit or surplus.

The municipality depends on grants mostly. The total projected income of R93 million will be received from grants (73%), Property Rates (15%), licences and permits (6%), interest earned from investment (3%), other revenue (2%) and Service charges – refuse (1%).

The municipality have short-term investments which accrue interest every month. The municipality will also source quotations from banks for the investment to ensure that reasonable interest is earned from investments made.

The revenue as per chart is as follows:



Other revenue

The further breakdown for other revenue line item is as follows:

Item	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Tender Monies	105,661	109,887	114,283
Building Plan fees	378,319	393,452	409,190
Interest on outstanding debtors	1,285,210	1,336,619	1,390,083
Sundry Income	459,246	477,616	496,720
Total Other Revenue	2,228,436	2,317,573	2,410,276

The municipality have identified projects which will be advertised and the bid documents will be sold to service providers. The trends for the purchase of bid documents from previous years has been considered to project the realistic revenue to from selling of bid documents. The comparisons of the interest charged previous years and mechanism to reduce the outstanding debt which include handing over of outstanding accounts was taken to account when the interest on outstanding accounts was projected.

Table 4 Operating Transfers and Grant Receipts**KZN226 Mkhambathini - Supporting Table SA18 Transfers and grant receipts**

Description R thousand	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
- Operating Transfers and Grants										
National Government:		46,557	59,010	63,405	64,326	63,673	63,673	66,550	67,383	75,985
Local Government Equitable Share		39,424	51,341	50,183	51,173	51,173	51,173	55,546	61,448	66,718
Finance Management		1,545	1,800	1,826	1,900	1,825	1,825	1,970	2,435	2,867
Municipal Systems Improvement		943	930	–	–	–	–			
Integrated National Electrification Programme		3,513	2,194	10,105	10,000	8,000	8,000	8,000	3,500	6,400
EPWP Incentive		1,132	1,012	1,291	1,253	1,089	1,089	1,034	–	–
Roll Overs			1,733			1,586	1,586			
Provincial Government:		693	801	668	1,264	1,264	1,264	1,617	1,964	2,567
Library Grant		681	801	668	1,264	1,264	1,264	1,617	1,714	1,817
KZN COGTA Grants		12							250	750
KZN COGTA Grants										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	47,250	59,811	64,073	65,590	64,937	64,937	68,167	69,347	78,552
Capital Transfers and Grants										
National Government:		18,057	16,851	12,486	16,285	16,285	16,285	15,835	16,076	16,745
Municipal Infrastructure Grant (MIG)		18,057	16,851	12,486	16,285	16,285	16,285	15,835	16,076	16,745
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants										
[insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	18,057	16,851	12,486	16,285	16,285	16,285	15,835	16,076	16,745
TOTAL RECEIPTS OF TRANSFERS & GRANTS		65,307	76,662	76,559	81,875	81,222	81,222	84,002	85,423	95,297

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services and repairs and maintenance. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circulars No.58 and 59 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality was amended accordingly.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA). In addition to this rebate, a further R285 000 reduction on the market value of a property will be granted in terms of Mkhambathini Municipality's proposed draft Property Rates Policy to be implemented in 2018/2019 to address the value of the properties for indigent household taking into account the RDP House value.

The proposed property rates tariff for 2018/2019 financial year has been calculated in compliance with the MPRA regulations which stipulate the ratios of tariffs per category. The revenue forgone has been calculated to R 1 608 168 based on the R285 000 reduction amount on all residential properties and 20% rebate for all properties owned by pensioners. The tariffs for the year inclusive of other services are as follows:

Assessment Rates

The rates for the 2018/2019 financial year will be calculated based on a market value of each property as follows:

Property Category	Budget 2017/2018		Budget 2018/2019
Agricultural	0.00207		0.00217
Clinic	0.01579		0.01658
Commercial	0.00947		0.00994
Education	0.01579		0.01658
Gres - Wildlife	0.00632		0.00664
Industrial	0.00789		0.00828
Magistrate	0.01579		0.01658
Other	0.00789		0.00828
Public Benefit	0.00160		0.00168
Post Office	0.01579		0.01658
Public Service Infrastructure	0.00207		0.00217
Quarry	0.00789		0.00828
Race Track	0.00789		0.00828
Residential	0.12760		0.13398
Police Station	0.01579		0.01658
Smallholdings	0.00319		0.00335
Sport facility	0.00789		0.00828
Sectional Tittles	0.01429		0.01500

State and Trust Land	0.01148		0.01205
Municipal	Exempted 100%		
Communal Land			
Rural Commercial			
Place of Worship			

The first R300 000 of a market value of a residential property will not be rated. (*Residential impermissible of R15 000 plus reduction which is not rateable of R285 000*)

The interest on outstanding debtors will be charges 1% for 2018/2019 financial year.

Refuse removal

Waste removal proposed tariffs	2017/2018 Incl. VAT	2018/2019 Incl. VAT
1. Domestic removal - Refuse	R 101.00	R 106.98
2. Industrial removal - Refuse	R 212.00	R 224.55
3. Commercial/ Government removal - Refuse	R 127.00	R 134.52
4. Out of Town Planning - Refuse	R 159.00	R 168.41

Other tariffs

Description	Tariffs for 2018/2019
1. Plot clearing (grass cutting and other clearing)	R 1.20 per m ²
2. Hall Hire – Camperdown Town Hall <ul style="list-style-type: none"> ▪ Weddings and other functions 	R5 000 including R2 000 refundable deposit

<ul style="list-style-type: none"> ▪ Memorial services ▪ Government Departments functions ▪ Church services 	R1 000 non-refundable R1 000 non-refundable R1 500 non-refundable
The tariffs for the other community halls will be between R300 and R500 depending on the capacity of the hall. The assessment is currently underway to determine the capacity of each hall and the tariffs will be updated once results are received.	
3. Hire of Sports field (All wards)	
<ul style="list-style-type: none"> ▪ Daily fees only 	R 150 per day non-refundable
4. Photocopies	R2.00 per page (black and white) R3.50 per page (colour)
5. Fax – Faxing (outgoing)	R6.50 per page
6. Faxing - Receiving	R7.50 per page
7. Overdue books Fine	R3.00 per week
8. Loss Books	
Non-fiction books	R360.50 per book
Fiction books	R100.00 per book
Children books	R70.00 per book
9. Valuation Roll	
- Print out	R 850.00 inclusive VAT
- Electronic copy (own disc)	R 60.00 inclusive VAT
10. Rates Clearance Certificate	R 245.00 inclusive of VAT
23. Tender Document fees	R 450 inclusive VAT

Table 5 MBRR Table SA14 – Household bills

KZN226 Mkhambathini - Supporting Table SA14 Household bills

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
VAT on Services											
Total large household bill:		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
% increase/-decrease			29.9%	5.9%	-	-	-		6.1%	5.9%	5.8%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates									451.25	477.42	505.11
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	451.25	477.42	505.11
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	451.25	477.42	505.11
% increase/-decrease			-	-	-	-	-		-	5.8%	5.8%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Electricity: Basic levy		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Electricity: Consumption		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Water: Basic levy		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Water: Consumption		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Sanitation		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Refuse removal		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-		-	-	-

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

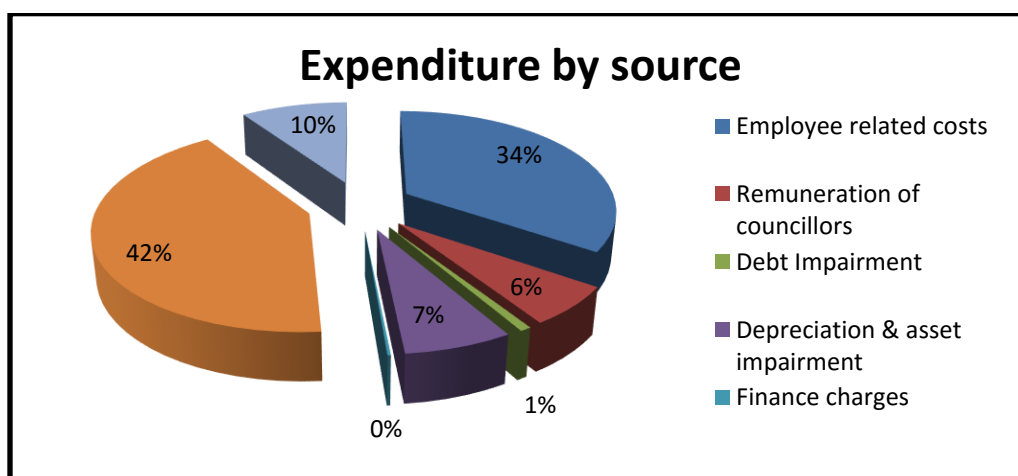
- The repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

Table 6 Summary of operating expenditure by standard classification item

KZN 226 Mkhambathini - Table A4 Budgeted Financial Performance (expenditure management)

Description	2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure By Type			
Employee related costs	32,227,220	34,652,958	37,078,666
Remuneration of Councillors	5,863,754	6,747,462	7,084,835
Debt Impairment	700,000	728,000	757,120
Depreciation & asset impairment	6,466,000	6,724,640	6,993,626
Finance charges	195,528	207,260	215,550
Other expenditure	39,022,168	35,922,003	35,907,620
Repairs and Maintenance	8,890,131	8,430,591	9,008,408
Total Expenditure	93,364,802	93,412,914	97,045,825

The expenditure as per chart is as follows:



The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure):

KZN226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue and expenditure)

KENN220 Wiktiriridatir											
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Employee related costs

The budgeted allocation for employee related costs for the 2018/19 financial year totals R32.227 million, which equals 35 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2018/19 financial year. An annual increase of 5.9 % and 5.8 per cent has been included in the two outer years of the MTREF to be conservative and implement cost cutting measures. The municipality have budgeted for the implementation of the job evaluation results which was issued in July 2016 and the increase thereof compared to last financial year (2017/18 financial year) also affected by 7% provision and the implementation of the job evaluation results.

Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. Understanding the fact that the Minister for Department of Co-operative Governance and Traditional Affairs will be issuing the new gazette for upper limit for the remuneration for councillors the previous history has been used as a base for the budgeting of 5% increment for councillors.

Municipal Finance Management Act circular in relation to the percentage of the total remuneration on the budget was issued by National Treasury (circular 71) and the norm for the employee related costs and remuneration for councillors was 25% to 40% combined of the total operating budget. The municipal budget for 2018/19 MTREF indicate that the municipality is not complying with the norm since the percentage for 2018/19 is 40.7% with 2019/20 sitting at 43.2% and the projected figure for the year 2020/21 being 41.6%.

Depreciation & asset impairment

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R6,466 million for the 2018/19 financial and equates to 7 per cent of the total operating expenditure.

Other expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 3 per cent for 2018/19 and curbed at 4 per cent for the two outer years, indicating that significant cost savings have been already realised.

The detailed list for other expenditure for the year 2018/19 MTERF is as follows:

Operating Expenditure by Type	2018/19	2019/20	2020/21
Cash Management fees	67,480	70,179	72,986
Asset Management	742,000	771,680	802,547
External Audit fees	1,595,388	1,456,541	1,514,802
Postage fees	70,000	72,800	75,712
Professional fees - Accounting Support	400,000	416,000	432,640
Insurance Premium Fees	400,000	416,000	432,640
SALGA Membership fees	500,000	520,000	540,800
FMG Expenditure	1,970,000	2,435,000	2,867,000
Free Basic Services - Electricity	282,000	293,280	305,011
Advertising	60,000	62,400	64,896
New General Valuation roll	800,000	250,000	300,000
Legal fees	600,000	624,000	648,960
Stationery	400,000	416,000	432,640
Filing Assistance	15,000	15,600	16,224
Seating Allowance for Amakhosi	18,000	18,720	19,469
Steiner & Hygiene	110,000	114,400	118,976
Rental For Library Road	120,000	124,800	129,792
Protective Clothing and Uniform	200,000	208,000	216,320
Refreshments for Exco and Council Meetings	40,000	41,600	43,264
Kitchen Supplies and Cleaning Material	50,000	52,000	54,080
Camperdown Station Rental	20,000	20,800	21,632
Security	200,000	208,000	216,320
Subsistence and Travelling	10,000	10,400	10,816
Telephones, fax lines, rental	550,000	572,000	594,880
Face Value Papers	200,000	208,000	216,320
LL1, DL1 & PDL Forms	380,000	395,200	411,008
Red Tapes and Clear Tapes	150,000	156,000	162,240
Biometric Door / Security Door	10,000	10,400	10,816
Waiting Area with Chairs	15,000	15,600	16,224
Cash Drawers	5,000	5,200	5,408
Learners Oral Books With Scoring Sheets	15,000	15,600	16,224
Driver's License Cards Payments / Prodiba	1,400,000	1,456,000	1,514,240
Fuel and Oil	600,000	624,000	648,960
Licensing and Registration of Vehicles	40,000	41,600	43,264
Car Wash	10,000	10,400	10,816
Date Stamps	2,000	2,080	2,163
Training and Development	400,000	416,000	432,640
Workmans Compensation	500,000	520,000	540,800
EAP	50,000	52,000	54,080
Occupational Health and Safety	70,000	72,800	75,712
Employee Wellness	120,000	124,800	129,792
ICT Licenses	580,000	603,200	628,805
IT Consumables	40,000	41,600	43,264
Website Maintenance	50,000	52,000	54,080

MKHAMBATHINI Municipality 2018/19 Final Annual Budget and MTREF

Contracted Services	400,000	416,000	432,640
Internet Services and Upgrade	300,000	312,000	324,480
ICT Review	800,000	832,000	865,280
Councillors Training and Development	300,000	312,000	324,480
Training for Ward Committees	200,000	208,000	216,320
ICT and Risk Committee	40,000	41,600	43,264
Research Development	150,000	156,000	162,240
Traditional leaders seating allowance	100,000	104,000	108,160
Youth Training Program	150,000	156,000	162,240
Integrated Development Plan	700,000	728,000	757,120
Performance Management	100,000	104,000	108,160
Communications	550,000	572,000	594,880
Annual Report	200,000	208,000	216,320
Internal Auditors fees	1,100,000	1,144,000	1,189,760
Corporate Image	800,000	832,000	-
Risk Management Training	180,000	187,200	194,688
Continuos Development Program	300,000	312,000	324,480
Professional Registrations and workshops/ Seminars	175,000	182,000	189,280
Travelling and Accommodation	300,000	312,000	324,480
Community Outreach Programs	1,250,000	2,788,905	-
HIV/AIDS Programs	205,000	207,700	210,562
Sports Development Programs	1,538,000	1,630,280	1,328,097
Youth Development Programs	839,000	889,340	942,700
Golden Games	244,000	258,640	274,158
Special Programmes(Gender, Disability And Senior Citizens)	963,000	1,020,780	1,082,027
Operation Sukuma Sakhe Outreach Programmes	100,000	106,000	112,360
Mkhambathini Operation Mbo Campaigns (Voter Registration)	250,000	265,000	280,900
Led Programme	193,000	204,580	216,855
Tourism Programme	480,000	508,800	439,328
Mkhambathini Arts And Culture Programs	847,800	898,668	752,588
Agricultural Assistance And Support	150,000	159,000	168,540
Refuse Removal And Disposal	546,000	578,760	613,486
Mkhambathini Cleaning Campaigns	140,000	148,400	157,304
Disaster Awareness Campaigns	180,000	190,800	202,248
Disaster Response Activities	60,000	63,600	67,416
Disaster Management Plan Annual Review	120,000	127,200	134,832
Indigent Support Programme	400,000	424,000	440,960
EPWP Job Opportunities	1,034,000	-	-
Library Programs	417,500	442,550	469,103
Departmental Parking Fees	3,000	3,120	3,245
Town Planning (Printing , Publication and Books)	10,000	10,400	10,816
Management Fees GIS UMDM Shared Services	200,000	208,000	116,320
Management Fees Municipal Planning Tribunal (JMPT)	80,000	83,200	86,528
Building Control (Building Plans Approval Fees)	50,000	52,000	54,080
Travelling claims	10,000	10,400	10,816
Consultation Fees (GCC)	10,000	10,400	10,816
Electrification	8,000,000	3,500,000	6,400,000
	39,022,168	35,922,003	35,907,620

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2018/19 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. And takes the form of social relief for the family of deceased persons who are destitute without income.

Table 7 Operational repairs and maintenance**KZN226 Mkhambathini - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091
Roads Infrastructure		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091
Roads		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091
<u>Community Assets</u>		–	2,560	1,500	1,400	1,400	1,400	4,041	4,355	4,695
Community Facilities		–	2,560	1,500	1,400	1,400	1,400	4,041	4,355	4,695
Halls			1,500	1,500	1,400	1,400	1,400	3,122	2,247	3,378
Centres			1,060							
Crèches								919	1,107	1,317
<u>Other assets</u>		318	320	1,600	1,600	1,600	1,600	1,695	744	796
Operational Buildings		318	320	1,600	1,600	1,600	1,600	1,695	744	796
Municipal Offices		318	320	800	700	700	700	1,000	–	–
Workshops				800	900	900	900			
Capital Spares								695	744	796
<u>Computer Equipment</u>		–	–	–	–	–	–	–	–	–
Computer Equipment										
<u>Furniture and Office Equipment</u>		–	–	150	150	150	150	–	–	–
Furniture and Office Equipment				150	150	150	150			
<u>Machinery and Equipment</u>		21	100	–	–	–	–	–	–	–
Machinery and Equipment		21	100							
<u>Transport Assets</u>		–	150	600	600	600	600	395	411	427
Transport Assets			150	600	600	600	600	395	411	427
Total Repairs and Maintenance Expenditure	1	1,399	3,280	5,850	6,350	6,350	6,350	8,890	8,431	9,008
<i>R&M as a % of PPE</i>		1.8%	3.5%	5.5%	5.0%	5.0%	5.0%	6.9%	6.8%	6.6%
<i>R&M as % Operating Expenditure</i>		2.4%	5.4%	8.1%	7.3%	7.1%	7.1%	9.9%	7.5%	8.1%

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 8 2018/19 Medium-term capital budget per vote

KZN226 Mkhambathini - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		1,328	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Library		-	-	-	-	-	-	-	-	-	-
Vote 7 - Vehicle Registration and Testing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Waste		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		2,172	19,140	-	-	-	-	-	-	-	-
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	3,500	19,140	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	60	200	1,200	500	500	500	400	428	458
Vote 2 - Municipal Manager		-	-	-	140	140	140	140	-	-	-
Vote 3 - Budget and Treasury Office		-	-	-	140	140	140	140	-	-	-
Vote 4 - Corporate Services		-	-	1,250	140	140	140	140	2,050	107	114
Vote 5 - Community Services		-	600	-	140	140	140	140	7,452	7,974	8,532
Vote 6 - Library		-	-	-	-	-	-	-	-	-	-
Vote 7 - Vehicle Registration and Testing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Waste		-	-	-	100	-	-	-	-	-	-
Vote 9 - Technical Services		14,427	12,055	17,851	17,566	19,337	19,337	19,337	9,383	8,970	9,598
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		14,427	12,715	19,301	19,426	20,397	20,397	20,397	19,285	17,478	18,702
Total Capital Expenditure - Vote		17,927	31,855	19,301	19,426	20,397	20,397	20,397	19,285	17,478	18,702

MKHAMBATHINI Municipality 2018/19 Final Annual Budget and MTREF

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital Expenditure - Functional											
Governance and administration		1,500	35	1,450	1,620	780	780	780	2,450	535	572
Executive and council			35	200	1,340	500	500	500	400	428	458
Finance and administration		1,500			280	280	280	280	2,050	107	114
Internal audit				1,250							
Community and public safety		-	630	-	240	140	140	140	7,452	7,974	8,532
Community and social services		-	630		240	140	140	140	7,452	7,974	8,532
Sport and recreation											
Public safety											
Housing											
Health											
Economic and environmental services		16,427	12,139	17,851	17,566	19,477	19,477	19,477	9,383	8,970	9,598
Planning and development											
Road transport		16,427	12,139	17,851	17,566	19,477	19,477	19,477	9,383	8,970	9,598
Environmental protection											
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources											
Water management											
Waste water management											
Waste management											
Other											
Total Capital Expenditure - Functional	3	17,927	12,804	19,301	19,426	20,397	20,397	20,397	19,285	17,478	18,702
Funded by:											
National Government		14,427	12,139	16,851	15,626	15,626	15,626	15,626	15,835	16,943	18,129
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	14,427	12,139	16,851	15,626	15,626	15,626	15,626	15,835	16,943	18,129
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		3,500	665	2,450	3,800	4,771	4,771	4,771	3,450	535	572
Total Capital Funding	7	17,927	12,804	19,301	19,426	20,397	20,397	20,397	19,285	17,478	18,702

For 2018/19 an amount of R 19, 285 million has been appropriated for the development of infrastructure. In the outer years this amount totals R17,478 million, and R18,702 million, respectively for each of the financial years.

Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/18 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary**KZN226 Mkhambathini - Table A1 Budget Summary**

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
<u>Financial Performance</u>										
Property rates	11,588	11,281	11,961	13,435	14,683	14,683	14,683	14,272	14,843	15,437
Service charges	–	–	466	531	531	531	531	562	596	632
Investment revenue	–	1,875	3,004	2,618	2,618	2,618	2,618	3,016	3,136	3,262
Transfers recognised - operational	47,281	58,121	64,122	63,487	63,487	63,487	63,487	68,167	69,347	78,552
Other own revenue	6,398	6,630	8,044	6,832	5,585	5,585	5,585	7,560	7,862	8,176
Total Revenue (excluding capital transfers and contributions)	65,268	77,908	87,598	86,903	86,903	86,903	86,903	93,577	95,785	106,059
Employee costs	21,441	21,595	23,995	32,247	33,259	33,259	33,259	32,227	34,483	36,897
Remuneration of councillors	4,492	4,620	4,798	5,398	5,059	5,059	5,059	5,864	6,747	7,085
Depreciation & asset impairment	4,627	5,588	6,756	6,100	6,100	6,100	6,100	6,466	6,725	6,994
Finance charges	16	–	–	196	196	196	196	196	207	216
Materials and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	27,567	28,522	36,377	42,502	44,931	44,931	44,931	67,897	62,390	67,117
Total Expenditure	58,144	60,324	71,926	86,442	89,545	89,545	89,545	112,650	110,552	118,308
Surplus/(Deficit)	7,124	17,584	15,672	461	(2,642)	(2,642)	(2,642)	(19,073)	(14,767)	(12,248)
Transfers and subsidies - capital (monetary allocation)	18,057	16,851	12,485	16,285	16,285	16,285	16,285	15,835	16,943	18,129
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	25,181	34,435	28,157	16,746	13,643	13,643	13,643	(3,238)	2,176	5,881
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	25,181	34,435	28,157	16,746	13,643	13,643	13,643	(3,238)	2,176	5,881
<u>Capital expenditure & funds sources</u>										
Capital expenditure	17,927	12,804	19,301	19,426	20,397	20,397	20,397	19,285	17,478	18,702
Transfers recognised - capital	14,427	12,139	16,851	15,626	15,626	15,626	15,626	15,835	16,943	18,129
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	3,500	665	2,450	3,800	4,771	4,771	4,771	3,450	535	572
Total sources of capital funds	17,927	12,804	19,301	19,426	20,397	20,397	20,397	19,285	17,478	18,702
<u>Financial position</u>										
Total current assets	10,482	24,938	46,821	20,410	20,410	20,410	20,410	63,847	56,568	49,410
Total non current assets	81,107	99,775	112,262	133,465	133,465	133,465	133,465	129,248	140,932	153,354
Total current liabilities	8,687	12,749	11,840	7,800	7,800	7,800	7,800	4,340	4,657	4,980
Total non current liabilities	1,865	2,200	2,816	2,600	2,600	2,600	2,600	2,800	3,000	3,200
Community wealth/Equity	81,037	109,764	144,428	143,475	143,475	143,475	143,475	185,955	189,843	194,584
<u>Cash flows</u>										
Net cash from (used) operating	30,039	41,559	34,468	9,166	24,722	24,722	24,722	23,690	24,550	28,852
Net cash from (used) investing	(20,997)	(18,912)	(18,912)	(19,426)	(19,426)	(19,426)	(19,426)	(19,285)	(17,478)	(18,702)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	14,614	37,260	52,816	42,556	58,112	58,112	58,112	52,073	59,145	69,295
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	5,571	14,614	37,260	14,000	14,000	14,000	14,000	54,737	47,858	42,000
Application of cash and investments	8,015	6,354	7,136	5,316	5,316	5,316	5,316	(27)	822	2,425
Balance - surplus (shortfall)	(2,444)	8,259	30,124	8,684	8,684	8,684	8,684	54,764	47,036	39,575
<u>Asset management</u>										
Asset register summary (WDV)	1,503	36,673	24,502	20,877	20,877	20,877	–	109,210	119,095	136,076
Depreciation	2,046	4,418	4,700	4,800	4,800	4,800	–	6,100	6,466	6,725
Renewal of Existing Assets	–	–	–	300	1,271	1,271	–	9,495	10,363	8,499
Repairs and Maintenance	1,399	3,280	5,850	6,350	6,350	6,350	–	8,890	8,431	9,008
<u>Free services</u>										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	1,458	1,927	1,462	1,546	–	–	1,908	1,908	1,972	2,039
<u>Households below minimum service level</u>										
Water:	1	1	1	1	1	1	1	1	1	1
Sanitation/sew erage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	0	0	0	0	0	0	0	0	0	0

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**KZN226 Mkhambathini - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
<i>Governance and administration</i>		79,482	74,288	77,310	85,780	83,774	83,774	47,413	51,095	54,542
Executive and council		—	1,132	1,058	—	—	—	6,110	6,759	7,339
Finance and administration		79,482	73,156	76,252	85,780	83,774	83,774	41,303	44,335	47,203
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		505	684	818	2,536	2,536	2,536	16,003	16,483	17,852
Community and social services		505	684	818	2,536	2,536	2,536	16,003	16,483	17,852
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		3,338	19,786	21,955	14,372	16,379	16,379	45,433	44,554	51,163
Planning and development		211	223	231	449	449	449	—	—	—
Road transport		3,127	19,562	21,724	3,923	4,391	4,391	45,433	44,554	51,163
Environmental protection		—	—	—	10,000	11,539	11,539	—	—	—
<i>Trading services</i>		—	—	—	500	500	500	562	596	632
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	—	—	500	500	500	562	596	632
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	83,325	94,759	100,083	103,188	103,188	103,188	109,412	112,728	124,189
Expenditure - Functional										
<i>Governance and administration</i>		41,628	49,078	44,930	43,048	46,151	46,151	55,922	59,248	60,872
Executive and council		6,069	10,700	8,894	7,802	7,802	7,802	17,305	19,239	18,763
Finance and administration		35,559	38,378	36,036	35,246	38,349	38,349	38,616	40,009	42,109
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		5,766	5,865	6,423	17,860	17,860	17,860	15,259	16,231	17,266
Community and social services		5,766	5,865	6,423	17,860	17,860	17,860	15,259	16,231	17,266
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		8,631	5,381	20,573	25,534	25,534	25,534	41,470	35,073	40,170
Planning and development		6,961	98	—	—	—	—	—	—	—
Road transport		1,670	5,283	20,573	25,534	25,534	25,534	41,470	35,073	40,170
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		2,119	—	—	—	—	—	—	—	—
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		2,119	—	—	—	—	—	—	—	—
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	58,144	60,324	71,926	86,442	89,545	89,545	112,650	110,552	118,308
Surplus/(Deficit) for the year		25,181	34,435	28,157	16,746	13,643	13,643	(3,238)	2,176	5,881

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 9 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Executive & Council.

Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**KZN226 Mkhambathini - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		–	1,132	1,058	–	–	–	6,110	6,759	7,339
Vote 2 - Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - Budget and Treasury Office		78,531	72,446	76,586	85,780	83,774	83,774	29,277	31,386	33,398
Vote 4 - Corporate Services		950	934	930	–	–	–	6,696	7,405	8,039
Vote 5 - Community Services		–	–	–	1,253	1,253	1,253	14,386	14,769	16,035
Vote 6 - Library		505	684	818	1,283	1,283	1,283	1,617	1,714	1,817
Vote 7 - Vehicle Registration and Testing		3,127	3,311	3,576	3,923	4,391	4,391	5,331	5,544	5,766
Vote 8 - Solid Waste		–	–	–	500	500	500	562	596	632
Vote 9 - Technical Services		–	–	–	–	–	–	–	–	–
Vote 10 - Technical Services		211	16,251	17,115	10,449	11,988	11,988	45,433	44,554	51,163
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	83,325	94,759	100,083	103,188	103,188	103,188	109,412	112,728	124,189
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		–	–	–	–	–	–	5,864	6,747	7,085
Vote 2 - Municipal Manager		1,150	4,770	1,615	1,808	1,808	1,808	11,442	12,492	11,678
Vote 3 - Budget and Treasury Office		33,420	22,480	30,720	29,807	32,910	32,910	18,711	19,012	19,957
Vote 4 - Corporate Services		7,058	21,925	14,594	11,433	11,433	11,433	14,991	15,885	16,785
Vote 5 - Community Services		5,182	4,897	13,290	15,486	15,486	15,486	13,642	14,517	15,449
Vote 6 - Library		584	968	2,530	2,374	2,374	2,374	1,617	1,714	1,817
Vote 7 - Vehicle Registration and Testing		1,670	17	3,428	4,468	4,468	4,468	4,915	5,111	5,367
Vote 8 - Solid Waste		2,119	–	–	–	–	–	–	–	–
Vote 9 - Technical Services		6,961	5,266	5,748	21,066	21,066	21,066	41,470	35,073	40,170
Vote 10 - Technical Services		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	58,144	60,324	71,926	86,442	89,545	89,545	112,650	110,552	118,308
Surplus/(Deficit) for the year	2	25,181	34,435	28,157	16,746	13,643	13,643	(3,238)	2,176	5,881

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity trading service.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**KZN226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue and expenditure)**

KENYA MINISTRY OF WATER DEVELOPMENT - Table A4 Budgeted Financial Performance (Revenue and Expenditure)											
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	11,588	11,281	11,961	13,435	14,683	14,683	14,683	14,272	14,843	15,437
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	466	531	531	531	531	562	596	632
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments		-	1,875	3,004	2,618	2,618	2,618	2,618	3,016	3,136	3,262
Interest earned - outstanding debtors		2,011	2,073	2,686	1,248	-			1,285	1,337	1,390
Dividends received						-					
Fines, penalties and forfeits		32	93	38	74	78	78	78			
Licences and permits		3,946	3,861	4,694	4,659	4,659	4,659	4,659	5,331	5,544	5,766
Agency services						-					
Transfers and subsidies		47,281	58,121	64,122	63,487	63,487	63,487	63,487	68,167	69,347	78,552
Other revenue	2	410	604	625	851	848	848	848	943	981	1,020
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		65,268	77,908	87,598	86,903	86,903	86,903	86,903	93,577	95,785	106,059
Expenditure By Type											
Employee related costs	2	21,441	21,595	23,995	32,247	33,259	33,259	33,259	32,227	34,483	36,897
Remuneration of councillors		4,492	4,620	4,798	5,398	5,059	5,059	5,059	5,864	6,747	7,085
Debt impairment	3	4,403	2,093	2,681	700	700	700	700	700	728	757
Depreciation & asset impairment	2	4,627	5,588	6,756	6,100	6,100	6,100	6,100	6,466	6,725	6,994
Finance charges		16	-	-	196	196	196	196	196	207	216
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		-	-	-	-	28,723	28,723	28,723	-	-	-
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	23,164	26,428	33,696	41,802	15,508	15,508	15,508	67,197	61,662	66,359
Loss on disposal of PPE											
Total Expenditure		58,144	60,324	71,926	86,442	89,545	89,545	89,545	112,650	110,552	118,308
Surplus/(Deficit)		7,124	17,584	15,672	461	(2,642)	(2,642)	(2,642)	(19,073)	(14,767)	(12,248)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		18,057	16,851	12,485	16,285	16,285	16,285	16,285	15,835	16,943	18,129
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		25,181	34,435	28,157	16,746	13,643	13,643	13,643	(3,238)	2,176	5,881
Taxation											
Surplus/(Deficit) after taxation		25,181	34,435	28,157	16,746	13,643	13,643	13,643	(3,238)	2,176	5,881
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		25,181	34,435	28,157	16,746	13,643	13,643	13,643	(3,238)	2,176	5,881
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		25,181	34,435	28,157	16,746	13,643	13,643	13,643	(3,238)	2,176	5,881

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R93, 577 million in 2018/19 and escalates to R 106 million by 2020/21.
2. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
3. Employee related costs is the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage increases in future years.

Table 127 MBRR Table A5 - Budgeted Capital Expenditure by vote

KZN226 Mkhambathini - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		1,328	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Library		-	-	-	-	-	-	-	-	-	-
Vote 7 - Vehicle Registration and Testing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Waste		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		2,172	19,140	-	-	-	-	-	-	-	-
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	3,500	19,140	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	60	200	1,200	500	500	500	400	428	458
Vote 2 - Municipal Manager		-	-	-	140	140	140	140	-	-	-
Vote 3 - Budget and Treasury Office		-	-	-	140	140	140	140	-	-	-
Vote 4 - Corporate Services		-	-	1,250	140	140	140	140	2,050	107	114
Vote 5 - Community Services		-	600	-	140	140	140	140	7,452	7,974	8,532
Vote 6 - Library		-	-	-	-	-	-	-	-	-	-
Vote 7 - Vehicle Registration and Testing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Solid Waste		-	-	-	100	-	-	-	-	-	-
Vote 9 - Technical Services		14,427	12,055	17,851	17,566	19,337	19,337	19,337	9,383	8,970	9,598
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		14,427	12,715	19,301	19,426	20,397	20,397	20,397	19,285	17,478	18,702
Total Capital Expenditure - Vote		17,927	31,855	19,301	19,426	20,397	20,397	20,397	19,285	17,478	18,702
Capital Expenditure - Functional											
Governance and administration		1,500	35	1,450	1,620	780	780	780	2,450	535	572
Executive and council		-	35	200	1,340	500	500	500	400	428	458
Finance and administration		1,500	-	-	280	280	280	280	2,050	107	114
Internal audit		-	-	1,250	-	-	-	-	-	-	-
Community and public safety		-	630	-	240	140	140	140	7,452	7,974	8,532
Community and social services		-	630	-	240	140	140	140	7,452	7,974	8,532
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		16,427	12,139	17,851	17,566	19,477	19,477	19,477	9,383	8,970	9,598
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		16,427	12,139	17,851	17,566	19,477	19,477	19,477	9,383	8,970	9,598
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	17,927	12,804	19,301	19,426	20,397	20,397	20,397	19,285	17,478	18,702
Funded by:											
National Government		14,427	12,139	16,851	15,626	15,626	15,626	15,626	15,835	16,943	18,129
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	14,427	12,139	16,851	15,626	15,626	15,626	15,626	15,835	16,943	18,129
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		3,500	665	2,450	3,800	4,771	4,771	4,771	3,450	535	572
Total Capital Funding	7	17,927	12,804	19,301	19,426	20,397	20,397	20,397	19,285	17,478	18,702

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Table 138 MBRR Table A6 - Budgeted Financial Position**KZN226 Mkhambathini - Table A6 Budgeted Financial Position**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash		316	533	1,042	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Call investment deposits	1	5,256	14,080	36,218	12,000	12,000	12,000	12,000	52,737	45,858	40,000
Consumer debtors	1	3,456	7,345	8,951	6,410	6,410	6,410	6,410	9,110	8,710	7,410
Other debtors		1,455	2,979	610							
Current portion of long-term receivables											
Inventory	2										
Total current assets		10,482	24,938	46,821	20,410	20,410	20,410	20,410	63,847	56,568	49,410
Non current assets											
Long-term receivables											
Investments											
Investment property		1,431	5,252	5,251	5,251	5,251	5,251	5,251	5,251	5,251	5,251
Investment in Associate											
Property, plant and equipment	3	79,604	94,475	106,313	128,214	128,214	128,214	128,214	123,997	135,681	148,103
Agricultural											
Biological											
Intangible		72	48	698							
Other non-current assets											
Total non current assets		81,107	99,775	112,262	133,465	133,465	133,465	133,465	129,248	140,932	153,354
TOTAL ASSETS		91,589	124,713	159,084	153,875	153,875	153,875	153,875	193,095	197,500	202,764
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	7,062	11,067	9,911	6,000	6,000	6,000	6,000	2,340	2,457	2,580
Provisions		1,625	1,683	1,928	1,800	1,800	1,800	1,800	2,000	2,200	2,400
Total current liabilities		8,687	12,749	11,840	7,800	7,800	7,800	7,800	4,340	4,657	4,980
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		1,865	2,200	2,816	2,600	2,600	2,600	2,600	2,800	3,000	3,200
Total non current liabilities		1,865	2,200	2,816	2,600	2,600	2,600	2,600	2,800	3,000	3,200
TOTAL LIABILITIES		10,552	14,949	14,656	10,400	10,400	10,400	10,400	7,140	7,657	8,180
NET ASSETS	5	81,037	109,764	144,428	143,475	143,475	143,475	143,475	185,955	189,843	194,584
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		67,364	109,764	144,428	143,475	143,475	143,475	143,475	185,955	189,843	194,584
Reserves	4	13,673	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	81,037	109,764	144,428	143,475	143,475	143,475	143,475	185,955	189,843	194,584

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt.

Table 19 MBRR Table A7 - Budgeted Cash Flow Statement**KZN226 Mkhambathini - Table A7 Budgeted Cash Flows**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		10,169	8,566	9,169	12,454	12,454	12,454	12,454	11,846	12,320	12,813
Service charges			–	–	500	500	500	500	481	510	540
Other revenue			6,761	7,761	4,796	4,796	4,796	4,796	6,274	6,525	6,786
Government - operating	1	49,524	60,106	64,073	64,525	64,525	64,525	64,525	68,167	69,347	78,552
Government - capital	1	16,251	16,851	12,486	15,626	15,626	15,626	15,626	15,835	16,943	18,129
Interest		1,972	2,353	2,353	2,826	2,826	2,826	2,826	4,237	4,406	4,582
Dividends									–	–	–
Payments											
Suppliers and employees		(47,877)	(52,938)	(61,233)	(91,377)	(75,821)	(75,821)	(75,821)	(82,943)	(85,286)	(92,327)
Finance charges		–	(140)	(140)	(184)	(184)	(184)	(184)	(207)	(216)	(224)
Transfers and Grants	1	–							–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		30,039	41,559	34,468	9,166	24,722	24,722	24,722	23,690	24,550	28,852
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			37	37					–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(20,997)	(18,949)	(18,949)	(19,426)	(19,426)	(19,426)	(19,426)	(19,285)	(17,478)	(18,702)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(20,997)	(18,912)	(18,912)	(19,426)	(19,426)	(19,426)	(19,426)	(19,285)	(17,478)	(18,702)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		9,043	22,647	15,556	(10,260)	5,296	5,296	5,296	4,405	7,072	10,150
Cash/cash equivalents at the year begin:	2	5,571	14,613	37,260	52,816	52,816	52,816	52,816	47,668	52,073	59,145
Cash/cash equivalents at the year end:	2	14,614	37,260	52,816	42,556	58,112	58,112	58,112	52,073	59,145	69,295

Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**KZN226 Mkhambathini - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	14,614	37,260	52,816	42,556	58,112	58,112	58,112	52,073	59,145	69,295
Other current investments > 90 days		(9,042)	(22,646)	(15,556)	(28,556)	(44,112)	(44,112)	(44,112)	2,664	(11,287)	(27,295)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		5,571	14,614	37,260	14,000	14,000	14,000	14,000	54,737	47,858	42,000
Application of cash and investments											
Unspent conditional transfers		–	4,055	3,171	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	239	239	387	387	387	387	387	400	400	400
Other working capital requirements	3	4,286	(1,823)	(1,166)	529	529	529	529	(5,227)	(4,778)	(3,575)
Other provisions		3,490	3,883	4,745	4,400	4,400	4,400	4,400	4,800	5,200	5,600
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		8,015	6,354	7,136	5,316	5,316	5,316	5,316	(27)	822	2,425
Surplus(shortfall)		(2,444)	8,259	30,124	8,684	8,684	8,684	8,684	54,764	47,036	39,575

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 141 MBRR Table A9 - Asset Management

KZN226 Mkhambathini - Table A9 Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	17,927	31,855	19,301	19,126	19,126	19,126	10,902	8,922	8,980
Roads Infrastructure		6,201	5,000	14,351	15,626	15,626	15,626	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		6,201	5,000	14,351	15,626	15,626	15,626	-	-	-
Community Facilities		-	5,251	-	-	-	-	7,452	8,387	8,407
Sport and Recreation Facilities		-	6,000	-	-	-	-	-	-	-
Community Assets		-	11,251	-	-	-	-	7,452	8,387	8,407
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		3,720	760	-	800	800	800	1,800	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		3,720	760	-	800	800	800	1,800	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	850	350	350	350	100	107	114
Furniture and Office Equipment		-	-	200	350	350	350	400	428	458
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	1,450	1,000	2,000	2,000	2,000	1,150	-	-
Libraries		8,006	13,394	2,900	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	300	1,271	1,271	9,495	10,363	8,499
Roads Infrastructure		-	-	-	-	-	-	9,495	10,363	8,499
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	9,495	10,363	8,499
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	300	1,271	1,271	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	300	1,271	1,271	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets <i>Roads Infrastructure</i> <i>Storm water Infrastructure</i> <i>Electrical Infrastructure</i> <i>Water Supply Infrastructure</i> <i>Sanitation Infrastructure</i> <i>Solid Waste Infrastructure</i> <i>Rail Infrastructure</i> <i>Coastal Infrastructure</i> <i>Information and Communication Infrastructure</i> Infrastructure Community Facilities Sport and Recreation Facilities Community Assets Heritage Assets Revenue Generating Non-revenue Generating Investment properties Operational Buildings Housing Other Assets Biological or Cultivated Assets Servitudes Licences and Rights Intangible Assets Computer Equipment Furniture and Office Equipment Machinery and Equipment Transport Assets Libraries Zoo's, Marine and Non-biological Animals	6	-	-	-	-	-	-	-	-
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MKHAMBATHINI Municipality 2018/19 Final Annual Budget and MTREF

ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Roads Infrastructure</i>			7,242	14,351	15,626	15,626	15,626	33,368	41,751	50,721
<i>Storm water Infrastructure</i>										
<i>Electrical Infrastructure</i>										
<i>Water Supply Infrastructure</i>										
<i>Sanitation Infrastructure</i>										
<i>Solid Waste Infrastructure</i>										
<i>Rail Infrastructure</i>										
<i>Coastal Infrastructure</i>										
<i>Information and Communication Infrastructure</i>								16,846	16,846	16,846
Infrastructure		-	7,242	14,351	15,626	15,626	15,626	50,214	58,597	67,567
Community Facilities			12,751	4,900				42,940	50,392	58,365
Sport and Recreation Facilities			11,380							
Community Assets		-	24,131	4,900	-	-	-	42,940	50,392	58,365
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1,431	5,252	5,251	5,251	5,251	5,251	9,571	9,571	9,571
Housing										
Other Assets		1,431	5,252	5,251	5,251	5,251	5,251	9,571	9,571	9,571
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		72	48	-				400	428	458
Furniture and Office Equipment								4,035		
Machinery and Equipment								2,050	107	114
Transport Assets										
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,503	36,673	24,502	20,877	20,877	20,877	109,210	119,095	136,076
EXPENDITURE OTHER ITEMS										
Depreciation	7	2,046	4,418	4,700	4,800	4,800	4,800	6,100	6,466	6,725
Repairs and Maintenance by Asset Class	3	1,399	3,280	5,850	6,350	6,350	6,350	8,890	8,431	9,008
<i>Roads Infrastructure</i>		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		1,060	150	2,000	2,600	2,600	2,600	2,759	2,921	3,091
Community Facilities		-	2,560	1,500	1,400	1,400	1,400	4,041	4,355	4,695
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	2,560	1,500	1,400	1,400	1,400	4,041	4,355	4,695
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		318	320	1,600	1,600	1,600	1,600	1,695	744	796
Housing		-	-	-	-	-	-	-	-	-
Other Assets		318	320	1,600	1,600	1,600	1,600	1,695	744	796
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	150	150	150	150	-	-	-
Machinery and Equipment		21	100	-	-	-	-	-	-	-
Transport Assets		-	150	600	600	600	600	395	411	427
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		3,445	7,698	10,550	11,150	11,150	11,150	14,990	14,897	15,733
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	1.5%	6.2%	6.2%	46.6%	53.7%	48.6%
<i>Renewal and upgrading of Existing Assets as % of deprec</i>		0.0%	0.0%	0.0%	6.3%	26.5%	26.5%	155.7%	160.3%	126.4%
<i>R&M as a % of PPE</i>		1.8%	3.5%	5.5%	5.0%	5.0%	5.0%	7.2%	6.2%	6.1%
<i>Renewal and upgrading and R&M as a % of PPE</i>		93.0%	9.0%	24.0%	32.0%	37.0%	37.0%	17.0%	16.0%	13.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

KZN226 Mkhambathini - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		2,742	3,071	3,132	3,195	3,195	3,195	3,195	3,195	3,195
Piped water inside yard (but not in dwelling)		8,944	9,838	10,035	10,235	10,235	10,235	10,235	10,235	10,235
Using public tap (at least min.service level)	2	1,472	1,576	1,608	1,640	1,640	1,640	1,640	1,640	1,640
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		13,158	14,485	14,775	15,070	15,070	15,070	15,070	15,070	15,070
Using public tap (< min.service level)	3	340	204	208	212	212	212	212	212	212
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		544	299	305	311	311	311	311	311	311
<i>Below Minimum Service Level sub-total</i>		884	503	513	523	523	523	523	523	523
Total number of households	5	14,042	14,988	15,288	15,594	15,594	15,594	15,594	15,594	15,594
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		1,684	1,785	1,821	1,857	1,857	1,857	1,857	1,857	1,857
Flush toilet (with septic tank)		1,688	1,789	1,825	1,861	1,861	1,861	1,861	1,861	1,861
Chemical toilet		503	533	544	555	555	555	555	555	555
Pit toilet (ventilated)		8,138	8,627	8,800	8,976	8,976	8,976	8,976	8,976	8,976
Other toilet provisions (> min.service level)		45	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		12,058	12,734	12,989	13,248	13,248	13,248	13,248	13,248	13,248
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	12,058	12,734	12,989	13,248	13,248	13,248	13,248	13,248	13,248
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		480	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		480	-	-	-	-	-	-	-	-
Removed less frequently than once a week		52	52	52	52	52	52	52	52	52
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		52	52	52	52	52	52	52	52	52
Total number of households	5	532	52	52	52	52	52	52	52	52
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)								2,345	2,487	2,636
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)								50	50	50
Electricity (kwh per household per month)								106	112	119
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)								300	300	300
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		1,458	1,927	1,462	1,546	-	-	1,608	1,672	1,739
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	1,458	1,927	1,462	1,546	-	-	1,908	1,972	2,039

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act. Exco acts as the Budget Steering Committee.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2017) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2017. Key dates applicable to the process were noted and used in the compilation of the IDP and Budget process.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2018/19 MTREF, based on the approved 2017/18 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2018/19 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2018/19 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2017/18 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 89 and 91 have been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2018/19 MTREF was tabled before Council on 28 March 2018 and the municipality started the community consultation after the adoption of the draft budget and the community engagement's public notice was published on the municipality's website, and hard copies were made available at municipal offices, municipal notice boards and libraries for public consumption.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

The public consultation was conducted on 12 May 2018 where the Mayor presented the draft IDP and Budget to the community and the presentation by the Mayor was unanimously accepted by the community. The Imbizo was held at ward 6, Ismont.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 15 IDP Strategic Objectives

2018/19 Financial Year	2018/19 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to MKHAMBATHINI principles through a caring, accessible and accountable service	4. Foster participatory democracy and Mk principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide Municipality planning services; and
 - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective Municipality cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and MKHAMBATHINI principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing MKHAMBATHINI in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the 2018/19 revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2018/19 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

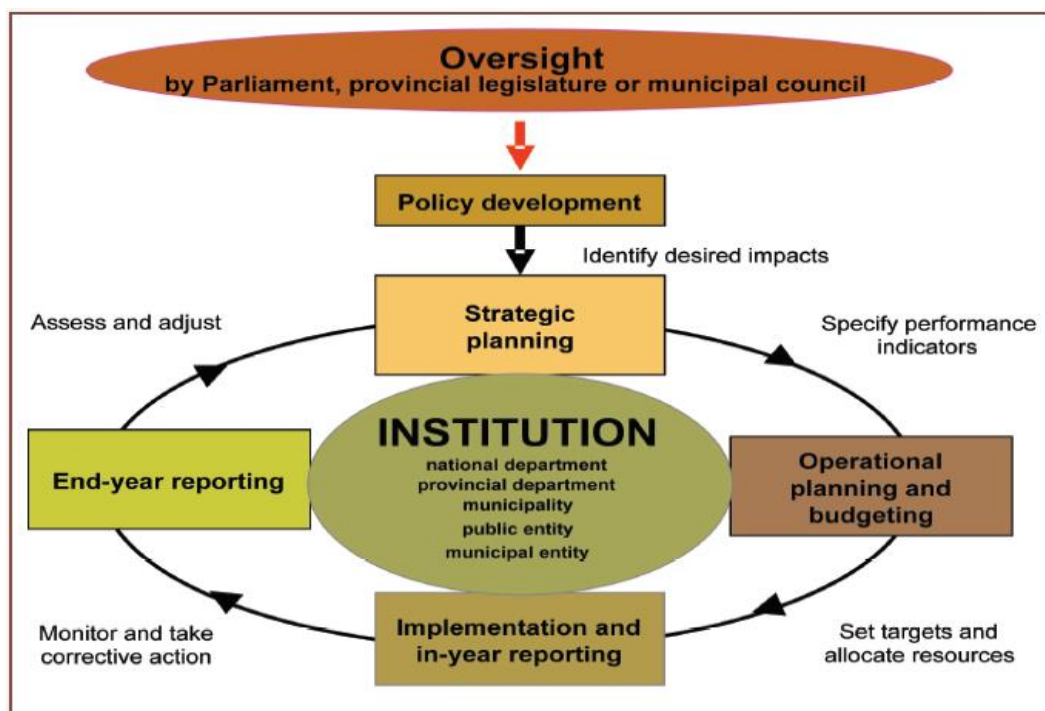


Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);

- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

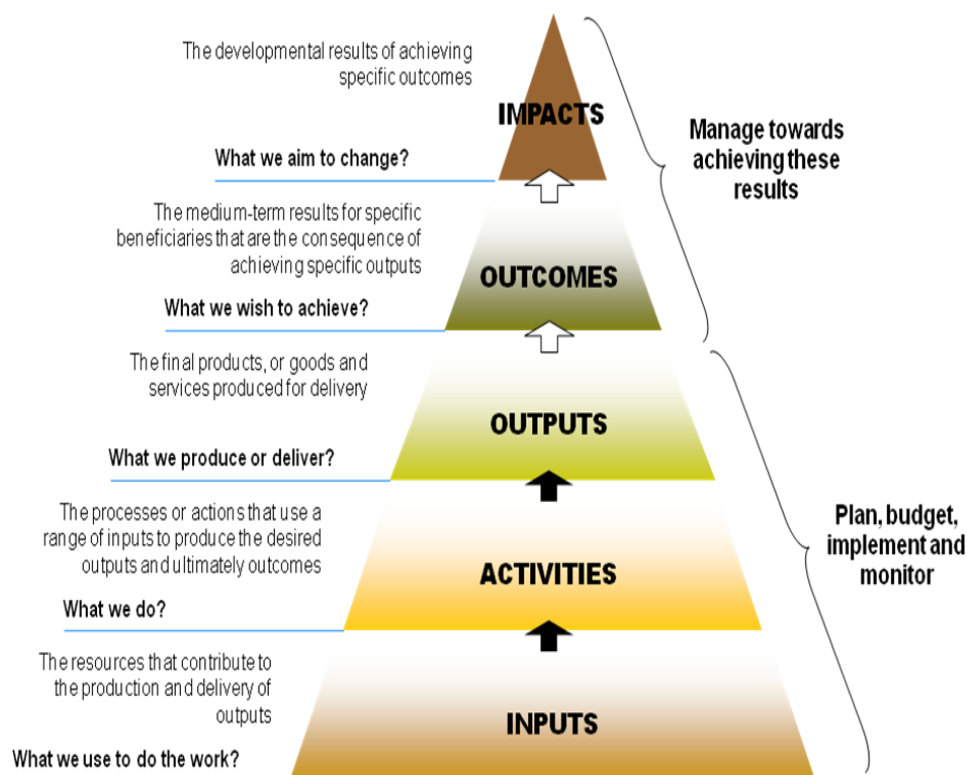


Figure 2 Definition of performance information concepts

Table 165 MBRR Table SA8 - Performance indicators and benchmarks

2.3.1 Performance indicators and benchmarks

KZN226 Mkhambathini - Supporting Table SA8 Performance indicators and benchmarks

KZN20 mkhambathini - Supporting Table 3A0 Performance Indicators and Benchmarks											
Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.1%	0.0%	0.0%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.2	2.0	4.0	2.6	2.6	2.6	2.6	14.7	12.1	9.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 day s/current liabilities	1.2	2.0	4.0	2.6	2.6	2.6	2.6	14.7	12.1	9.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	1.1	3.1	1.8	1.8	1.8	1.8	12.6	10.3	8.4
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		87.7%	75.9%	73.8%	92.8%	85.1%	85.1%	85.1%	83.1%	83.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		87.7%	75.9%	73.8%	92.8%	85.1%	85.1%	85.1%	83.1%	83.1%	83.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	7.5%	13.3%	10.9%	7.4%	7.4%	7.4%	7.4%	9.7%	9.1%	7.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		48.3%	18.8%	12.8%	14.1%	10.3%	10.3%	10.3%	4.5%	4.2%	3.7%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.9%	27.7%	27.4%	37.1%	38.3%	38.3%	38.3%	34.4%	36.0%	34.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	38.5%	36.1%	34.9%	37.0%	37.0%	37.0%		40.7%	43.2%	41.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.1%	4.2%	6.7%	7.3%	7.3%	7.3%		9.5%	8.8%	8.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.1%	7.2%	7.7%	7.2%	7.2%	7.2%	7.2%	7.1%	7.2%	6.8%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.6	8.4	8.3	8.3	8.3	8.3	5.5	5.8	5.8	6.0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	42.4%	91.5%	76.9%	45.9%	42.1%	42.1%	42.1%	61.4%	56.4%	46.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.4	11.5	14.1	9.2	9.4	9.4	9.4	9.5	10.6	11.6

2.3.1.1 *Borrowing Management*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2018/19 MTREF:

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is nil per cent.

2.3.1.2 *Safety of Capital*

2.3.1.3 *Liquidity*

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.
- The municipality's liquidity ratio for 2018/19 financial year budget is 1: 9 compared to the ratio of 1:8 for 2017/18 financial year. The municipality projected an improved ratio of 1:10 in 2019/20 with a drop on liquidity ratio in 2020/21 due to increase in economy to 1: 8 liquidity ratio.

- **Revenue Management**

- As part of the financial sustainability strategy, an aggressive revenue management framework is going to be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. For this purpose and exercise with Trans Union has commenced and the municipality have also handed over the debts which are above 120 days to the municipal debt collectors. The municipality have projected to collect a minimum of R6,5 million from 2017/18 financial year outstanding debtors which will contribute towards funding the operations and repairs and maintenance.

2.3.1.4 *Creditors Management*

- The Municipality managed to ensure that creditors are settled within the legislated 30 days of invoice.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The following budget-related policies have been approved by Council, or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation. The policies were opened for inspection and comment were received last year and during the review they were no changes on approved 2017/18 policies.

- 2.4.1 Budget Policy
- 2.4.2 Supply Chain Management Policy
- 2.4.3. Rates Policy
- 2.4.4 Tariff Policy
- 2.4.5 Credit Control & Debt Collection Policy
- 2.4.6 Subsistence & Travel Policy
- 2.4.7 Leave Policy
- 2.4.8 Virement Policy
- 2.4.9 Cash Management and Investment Policy
- 2.4.10 Overtime Policy
- 2.4.11 Budget policy
- 2.4.12 Banking Policy

2.5 Councillor and employee benefits

Table 26 MBRR SA22 - Summary of councillor and staff benefits

KZN226 Mkhambathini - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4,101	4,122	4,800	5,088	5,088	5,088	3,998	4,788	5,028
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance								1,244	1,307	1,372
Cellphone Allowance								622	653	685
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		4,101	4,122	4,800	5,088	5,088	5,088	5,864	6,747	7,085
% increase	4		0.5%	16.5%	6.0%	-	-	15.2%	15.1%	5.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3,976	4,892	4,256	4,165	4,165	4,165	3,860	4,312	4,614
Pension and UIF Contributions								24	26	28
Medical Aid Contributions										
Overtime								79	116	124
Performance Bonus										
Motor Vehicle Allowance	3							223	238	255
Cellphone Allowance	3			42	50	50	50	43	46	49
Housing Allowances	3							63	68	72
Other benefits and allowances	3							108		
Payments in lieu of leave	3							62	67	71
Long service awards										
Post-retirement benefit obligations	6							26	28	30
Sub Total - Senior Managers of Municipality		3,976	4,892	4,298	4,215	4,215	4,215	4,490	4,901	5,244
% increase	4		23.0%	(12.1%)	(1.9%)	-	-	6.5%	9.2%	7.0%
Other Municipal Staff										
Basic Salaries and Wages		11,850	12,250	15,780	15,021	15,021	15,021	18,093	19,433	20,793
Pension and UIF Contributions		1,660	3,455	2,223	3,522	3,522	3,522	3,281	3,510	3,756
Medical Aid Contributions		626	620	833	1,522	1,522	1,522	1,417	1,516	1,623
Overtime		757	710	855	1,060	1,060	1,060	1,132	1,211	1,296
Performance Bonus		1,390	917	828	1,544	1,544	1,544	1,658	1,774	1,899
Motor Vehicle Allowance	3	91	359	318	-	0	0	223	238	255
Cellphone Allowance	3	15	60	52	66	66	66	70	75	80
Housing Allowances	3	33	42	52	97	97	97	281	300	321
Other benefits and allowances	3	109	268	90	8	8	8	405	433	463
Payments in lieu of leave		509	411	423				1,178	1,261	1,349
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		17,039	19,092	21,454	22,840	22,840	22,840	27,738	29,752	31,835
% increase	4		12.0%	12.4%	6.5%	0.0%	0.0%	21.4%	7.3%	7.0%
Total Parent Municipality		25,116	28,105	30,552	32,144	32,144	32,144	38,091	41,400	44,164
			11.9%	8.7%	5.2%	0.0%	0.0%	18.5%	8.7%	6.7%
TOTAL SALARY, ALLOWANCES & BENEFITS		25,116	28,105	30,552	32,144	32,144	32,144	38,091	41,400	44,164
% increase	4		11.9%	8.7%	5.2%	0.0%	0.0%	18.5%	8.7%	6.7%
TOTAL MANAGERS AND STAFF	5,7	21,015	23,984	25,752	27,056	27,056	27,056	32,227	34,653	37,079

Table 27 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

KZN226 Mkhambathini - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

[illegible]

Table 28 MBRR SA24 – Summary of personnel numbers

KZN226 Mkhambathini - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		14	3	11	14	3	11	14		14
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	5	–	5	5	–	5	5		5
Other Managers	7									
Professionals		44	39	17	44	39	17	29	27	2
Finance			6	7		6	7	7	7	–
Spatial/town planning								1	1	–
Information Technology		1	–	1	1	–	1	1	1	–
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		43	33	9	43	33	9	20	18	2
Technicians		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)		36	36	–	36	36	–	21	21	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations								36	36	–
TOTAL PERSONNEL NUMBERS	9	99	78	33	99	78	33	105	84	21
% increase					–	–	–	6.1%	7.7%	(36.4%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

Monthly targets for revenue, expenditure and cash flow**Table 29 MBRR SA25 - Budgeted monthly revenue and expenditure**

MKHAMBATHINI Municipality 2018/19 Final Annual Budget and MTREF

KZN226 Mkhambathini - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue By Source																
Property rates		1,189	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,887	14,272	14,843	15,437
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		47	44	44	44	44	44	44	44	44	44	44	73	562	596	632
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments		251	218	218	218	218	218	218	218	218	218	218	583	3,016	3,136	3,262
Interest earned - outstanding debtors		107	104	104	104	104	104	104	104	104	104	104	138	1,285	1,337	1,390
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		444	388	388	388	388	388	388	388	388	388	388	1,004	5,331	5,544	5,766
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		24,689	6,000	-	2,000	1,000	18,146	-	1,000	15,332	-	-	-	68,167	69,347	78,552
Other revenue		79	71	71	71	71	71	71	71	71	71	71	155	943	981	1,020
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		26,806	7,945	1,945	3,945	2,945	20,092	1,945	2,945	17,277	1,945	1,945	3,841	93,577	95,785	106,059
Expenditure By Type																
Employee related costs		2,598	2,687	2,687	2,687	2,687	2,757	2,687	2,687	2,687	2,687	2,687	2,687	32,227	34,483	36,897
Remuneration of councillors		489	450	450	450	450	450	450	450	450	450	450	876	5,864	6,747	7,085
Debt impairment		-	58	58	58	58	58	58	58	58	58	58	117	700	728	757
Depreciation & asset impairment		539	508	508	508	508	508	508	508	508	508	508	844	6,466	6,725	6,994
Finance charges		17	16	16	16	16	16	16	16	16	16	16	15	196	207	216
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		7,851	8,322	6,178	2,277	4,765	9,654	11,654	3,654	2,543	3,654	4,654	1,989	67,197	61,662	66,359
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		11,494	12,042	9,899	5,997	8,486	13,444	15,374	7,374	6,263	7,374	8,374	6,529	112,650	110,552	118,308
Surplus/(Deficit)		15,313	(4,097)	(7,953)	(2,051)	(5,540)	6,647	(13,429)	(4,429)	11,013	(5,429)	(6,429)	(2,687)	(19,073)	(14,767)	(12,248)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		4,000	-	-	-	-	7,835	-	-	4,000	-	-	-	15,835	16,943	18,129
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		19,313	(4,097)	(7,953)	(2,051)	(5,540)	14,482	(13,429)	(4,429)	15,013	(5,429)	(6,429)	(2,687)	(3,238)	2,176	5,881
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	19,313	(4,097)	(7,953)	(2,051)	(5,540)	14,482	(13,429)	(4,429)	15,013	(5,429)	(6,429)	(2,687)	(3,238)	2,176	5,881

Table 30 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN226 Mkhambathini - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue by Vote																
Vote 1 - Executive and Council		509	509	509	509	509	509	509	509	509	509	509	509	6,110	6,759	7,339
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440	29,277	31,386	33,398
Vote 4 - Corporate Services		558	558	558	558	558	558	558	558	558	558	558	558	6,696	7,405	8,039
Vote 5 - Community Services		1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	14,386	14,769	16,035
Vote 6 - Library		135	135	135	135	135	135	135	135	135	135	135	135	1,617	1,714	1,817
Vote 7 - Vehicle Registration and Testing		444	444	444	444	444	444	444	444	444	444	444	444	5,331	5,544	5,766
Vote 8 - Solid Waste		47	47	47	47	47	47	47	47	47	47	47	47	562	596	632
Vote 9 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Technical Services		3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	45,433	44,554	51,163
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	109,412	112,728	124,189
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		489	489	489	489	489	489	489	489	489	489	489	489	5,864	6,747	7,085
Vote 2 - Municipal Manager		953	953	953	953	953	953	953	953	953	953	953	953	11,442	12,492	11,678
Vote 3 - Budget and Treasury Office		1,502	1,502	1,502	1,502	1,502	1,502	1,502	1,502	1,502	1,502	1,502	2,186	18,711	19,012	19,957
Vote 4 - Corporate Services		1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	598	14,991	15,885	16,785
Vote 5 - Community Services		1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	70	13,642	14,517	15,449
Vote 6 - Library		135	135	135	135	135	135	135	135	135	135	135	135	1,617	1,714	1,817
Vote 7 - Vehicle Registration and Testing		410	410	410	410	410	410	410	410	410	410	410	410	4,915	5,111	5,367
Vote 8 - Solid Waste		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		4,243	5,243	3,243	3,243	3,243	3,243	3,243	3,243	3,243	3,243	3,243	2,800	41,470	35,073	40,170
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		10,274	11,274	9,274	9,274	9,274	9,274	9,274	9,274	9,274	9,274	9,274	7,640	112,650	110,552	118,308
Surplus/(Deficit) before assoc.		(1,156)	(2,156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	1,478	(3,238)	2,176	5,881
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	(1,156)	(2,156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	(156)	1,478	(3,238)	2,176	5,881

Table 31 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN226 Mkhambathini - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional																
Governance and administration		3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	3,951	47,413	51,095	54,542
Executive and council		509	509	509	509	509	509	509	509	509	509	509	509	6,110	6,759	7,339
Finance and administration		3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	3,442	41,303	44,335	47,203
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	16,003	16,483	17,852
Community and social services		1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	16,003	16,483	17,852
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	45,433	44,554	51,163
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	3,786	45,433	44,554	51,163
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		47	47	47	47	47	47	47	47	47	47	47	47	562	596	632
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		47	47	47	47	47	47	47	47	47	47	47	47	562	596	632
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	109,412	112,728	124,189
Expenditure - Functional																
Governance and administration		4,760	5,056	5,056	5,056	5,056	5,056	5,056	5,056	5,056	5,056	5,056	605	55,922	59,248	60,872
Executive and council		1,548	1,548	1,548	1,548	1,548	1,548	1,548	1,548	1,548	1,548	1,548	278	17,305	19,239	18,763
Finance and administration		3,212	3,508	3,508	3,508	3,508	3,508	3,508	3,508	3,508	3,508	3,508	327	38,616	40,009	42,109
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	204	15,259	16,231	17,266
Community and social services		1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	204	15,259	16,231	17,266
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		3,590	3,280	2,280	6,280	2,280	2,280	6,280	2,280	5,280	4,280	2,280	1,076	41,470	35,073	40,170
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		3,590	3,280	2,280	6,280	2,280	2,280	6,280	2,280	5,280	4,280	2,280	1,076	41,470	35,073	40,170
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		9,719	9,705	8,705	12,705	8,705	8,705	12,705	8,705	11,705	10,705	8,705	1,885	112,650	110,552	118,308
Surplus/(Deficit) before assoc.		(601)	(587)	413	(3,587)	413	413	(3,587)	413	(2,587)	(1,587)	413	7,233	(3,238)	2,176	5,881
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(601)	(587)	413	(3,587)	413	413	(3,587)	413	(2,587)	(1,587)	413	7,233	(3,238)	2,176	5,881

Table 32 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN226 Mkhambathini - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council													-	-	-	-
Vote 2 - Municipal Manager													-	-	-	-
Vote 3 - Budget and Treasury Office													-	-	-	-
Vote 4 - Corporate Services													-	-	-	-
Vote 5 - Community Services													-	-	-	-
Vote 6 - Library													-	-	-	-
Vote 7 - Vehicle Registration and Testing													-	-	-	-
Vote 8 - Solid Waste													-	-	-	-
Vote 9 - Technical Services													-	-	-	-
Vote 10 - Technical Services													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council		33	33	33	33	33	33	33	33	33	33	33	33	400	428	458
Vote 2 - Municipal Manager													-	-	-	-
Vote 3 - Budget and Treasury Office													-	-	-	-
Vote 4 - Corporate Services		171	171	171	171	171	171	171	171	171	171	171	171	2,050	107	114
Vote 5 - Community Services		621	621	621	621	621	621	621	621	621	621	621	621	7,452	7,974	8,532
Vote 6 - Library													-	-	-	-
Vote 7 - Vehicle Registration and Testing													-	-	-	-
Vote 8 - Solid Waste													-	-	-	-
Vote 9 - Technical Services		782	782	782	782	782	782	782	782	782	782	782	782	9,383	8,970	9,598
Vote 10 - Technical Services													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	19,285	17,478	18,702
Total Capital Expenditure	2	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	19,285	17,478	18,702

Table 33 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN226 Mkhambathini - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		204	204	204	204	204	204	204	204	204	204	204	204	2,450	535	572
Executive and council		33	33	33	33	33	33	33	33	33	33	33	33	400	428	458
Finance and administration		171	171	171	171	171	171	171	171	171	171	171	171	2,050	107	114
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		621	621	621	621	621	621	621	621	621	621	621	621	7,452	7,974	8,532
Community and social services		621	621	621	621	621	621	621	621	621	621	621	621	7,452	7,974	8,532
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		782	782	782	782	782	782	782	782	782	782	782	782	9,383	8,970	9,598
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		782	782	782	782	782	782	782	782	782	782	782	782	9,383	8,970	9,598
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	19,285	17,478	18,702
Funded by:																
National Government		4,000	-	-	-	-	7,835	-	-	4,000	-	-	-	15,835	16,943	18,129
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		4,000	-	-	-	-	7,835	-	-	4,000	-	-	-	15,835	16,943	18,129
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	2,000	-	-	1,450	-	-	-	-	-	-	-	3,450	535	572
Total Capital Funding		4,000	2,000	-	-	1,450	7,835	-	-	4,000	-	-	-	19,285	17,478	18,702

Table 34 MBRR SA30 - Budgeted monthly cash flow

KZN226 Mkhambathini - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source													1		
Property rates	923	1,399	943	710	1,065	1,477	1,130	763	965	810	877	784	11,846	12,320	12,813
Service charges - electricity revenue													-		
Service charges - water revenue													-		
Service charges - sanitation revenue													-		
Service charges - refuse revenue	33	22	45	42	33	45	45	33	45	45	45	51	481	510	540
Service charges - other													-		
Rental of facilities and equipment													-		
Interest earned - external investments	251	251	251	251	251	251	251	251	251	251	251	251	3,016	3,136	3,262
Interest earned - outstanding debtors	102	102	102	102	102	102	102	102	102	102	102	102	1,221	1,270	1,321
Dividends received													-		
Fines, penalties and forfeits													-		
Licences and permits	444	444	444	444	444	444	444	444	444	444	444	444	5,331	5,544	5,766
Agency services													-		
Transfer receipts - operational	24,689	6,000		2,000	1,000	18,146		1,000	15,015			317	68,167	69,347	78,552
Other revenue	79	79	79	79	79	79	79	79	79	79	79	79	943	981	1,020
Cash Receipts by Source	26,521	8,296	1,864	3,627	2,975	20,543	2,050	2,672	16,901	1,730	1,797	2,028	91,005	93,108	103,274
Other Cash Flows by Source															
Transfer receipts - capital	4,000					7,835			4,000			-	15,835	16,943	18,129
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)													-		
Proceeds on disposal of PPE													-		
Short term loans													-		
Borrowing long term/refinancing													-		
Increase (decrease) in consumer deposits													-		
Decrease (increase) in non-current debtors			1,600			2,000			1,500			1,400	6,500	7,150	7,865
Decrease (increase) other non-current receivables													-		
Decrease (increase) in non-current investments													-		
Total Cash Receipts by Source	30,521	8,296	3,464	3,627	2,975	30,378	2,050	2,672	22,401	1,730	1,797	3,428	113,340	117,202	129,268
Cash Payments by Type															
Employee related costs	2,598	2,598	2,598	2,598	2,598	2,598	2,598	2,598	2,598	2,598	2,598	2,598	31,175	33,669	37,036
Remuneration of councillors	489	489	489	489	489	489	489	489	489	489	489	489	5,864	6,747	7,085
Finance charges	17	17	17	17	17	17	17	17	17	17	17	17	207	216	224
Bulk purchases - Electricity													-		
Bulk purchases - Water & Sewer													-		
Other materials													-		
Contracted services													-		
Transfers and grants - other municipalities													-		
Transfers and grants - other													-		
Other expenditure	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	45,904	44,869	48,206
Cash Payments by Type	6,929	6,929	6,929	6,929	6,929	6,929	6,929	6,929	6,929	6,929	6,929	6,929	83,150	85,501	92,552
Other Cash Flows/Payments by Type															
Capital assets		4,500	1,607	3,280	1,607	1,200		3,200		3,000	891	-	19,285	17,478	18,702
Repayment of borrowing													-		
Other Cash Flow s/Payments													-		
Total Cash Payments by Type	6,929	11,429	8,536	10,209	8,536	8,129	6,929	10,129	6,929	9,929	7,820	6,929	102,435	102,980	111,253
NET INCREASE/(DECREASE) IN CASH HELD	23,592	(3,133)	(5,073)	(6,582)	(5,561)	22,249	(4,879)	(7,457)	15,471	(8,199)	(6,023)	(3,501)	10,905	14,222	18,015
Cash/cash equivalents at the month/year begin:	47,668	71,260	68,127	63,054	56,473	50,911	73,160	68,282	60,824	76,296	68,097	62,074	47,668	58,573	72,795
Cash/cash equivalents at the month/year end:	71,260	68,127	63,054	56,473	50,911	73,160	68,282	60,824	76,296	68,097	62,074	58,573	58,573	72,795	90,810

2.6 Annual budgets and SDBIPs – internal departments

In terms of section 53(1) (i) (ii) the Mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget.

2.7 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

R thousand	Program/Project description	Asset Sub-Class 3	Total Project Estimate	Project information	
				Ward location	New or renewal
Transportation and Roads	Nobhala Road	<i>Roads, Pavements & Bridges</i>	2 850 500	3	Renew
Community Facilities	Ezinembeni Crèche	<i>Community facilities</i>	2 700 000	2	New
Transportation and Roads	Mkhishwa Road	<i>Roads, Pavements & Bridges</i>	2 775 660	?	Renew
Transportation and Roads	Mdala Road	<i>Roads, Pavements & Bridges</i>	53 475	4	Renew
Community Facilities	Nkosi Mdluli Hall	<i>Community facilities</i>	4 159 971	5	New
Community Facilities	Camperdown Hall	<i>Community facilities</i>	3 295 394	3	New
Total Capital expenditure funded by MIG			15 835 000		

2.8 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 5 interns through this programme and a majority of them were appointed either in MKHAMBATHINI Municipality or other municipalities.

3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2018/19 MTREF in May 2018 directly aligned and informed by the 2018/19 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.9 Other supporting documents

Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN226 Mkhambathini - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

KZN220 Mkhambathini - Supporting table SA1 Supporting detail to Budgeted Financial Performance											
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		13,046	13,209	13,424	14,982	14,683	14,683	14,683	15,881	16,516	17,176
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		1,458	1,927	1,462	1,546	—	—	—	1,608	1,672	1,739
Net Property Rates		11,588	11,281	11,961	13,435	14,683	14,683	14,683	14,272	14,843	15,437
Service charges - electricity revenue	6										
Total Service charges - electricity revenue											
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		—	—	—	—	—	—	—	—	—	—
Net Service charges - electricity revenue		—	—	—	—	—	—	—	—	—	—
Service charges - water revenue	6										
Total Service charges - water revenue											
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		—	—	—	—	—	—	—	—	—	—
Net Service charges - water revenue		—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—	—
Net Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	6										
Total refuse removal revenue				466	531	531	531	531	562	596	632
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		—	—	—	—	—	—	—	—	—	—
Net Service charges - refuse revenue		—	—	466	531	531	531	531	562	596	632
Other Revenue by source											
List other revenue by source											
Clearance Certificate		9	16	10	10	848	848	848			
Tender Proposal		85	81	48	103				106	110	114
Commission Received		12	13	16	7						
Building plans		180	248	194	367				378	393	409
Other Revenue		88	217	327	344				459	478	497
Library fees		19	20	23	20						
Social Welfare											
Application fee (Planning)		18	10	6							
Subscription library											
Decrease in provision for bad debts											
Total 'Other' Revenue	1	410	604	625	851	848	848	848	943	981	1,020
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	16,252	14,753	18,321	23,057	27,091	27,091	27,091	22,583	24,164	25,855
Pension and UIF Contributions		1,660	3,455	2,223	3,949	293	293	293	3,281	3,510	3,756
Medical Aid Contributions		626	620	833	1,760	1,353	1,353	1,353	1,417	1,516	1,623
Overtime		757	710	855	1,124	1,606	1,606	1,606	1,132	1,211	1,296
Performance Bonus		1,390	917	828	2,030	1,357	1,357	1,357	1,658	1,774	1,899
Motor Vehicle Allowance		91	359	318		—	—	—	223	238	255
Cellphone Allowance		15	60	52	69	—	—	—	70	75	80
Housing Allowances		33	42	52	251	219	219	219	281	300	321
Other benefits and allowances		109	268	90	7	318	318	318	405	433	463
Payments in lieu of leave		509	411	423		1,022	1,022	1,022	1,178	1,261	1,349
Long service awards		—	—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—	—
sub-total	5	21,441	21,595	23,995	32,247	33,259	33,259	33,259	32,227	34,483	36,897
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	21,441	21,595	23,995	32,247	33,259	33,259	33,259	32,227	34,483	36,897

**Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance
Continued)**

Contributions recognised - capital											
<i>List contributions by contract</i>											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		4,627	5,588	6,756	6,100	6,100	6,100	6,100	6,466	6,725	6,994
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE											
Total Depreciation & asset impairment		4,627	5,588	6,756	6,100	6,100	6,100	6,100	6,466	6,725	6,994
Bulk purchases											
Electricity Bulk Purchases											
Water Bulk Purchases											
Total bulk purchases		-	-	-	-	-	-	-	-	-	-
Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants		-	-	-	-	-	-	-	-	-	-
Contracted services											
<i>List services provided by contract</i>						28,723	28,723	28,723			
sub-total		-	-	-	-	28,723	28,723	28,723	-	-	-
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		-	-	-	-	28,723	28,723	28,723	-	-	-
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions											
Consultant fees		1,520	2,401	3,005	700						
Audit fees		1,083	1,188	1,089	2,084	1,273	1,273	1,273			
General expenses		10,418	7,164	17,011	9,768	475	475	475	52,276	51,921	53,344
NERVE CENTRE MEETINGS		-	5,500	2,415	1,900	-	-	-	15	16	17
MAYORAL GAMES TOURNAMENT		2,507	2,507	2,507	562	530	530	530	267	282	299
DISTRICT SALGA GAMES		1,500	1,500	1,500	1,900	-	-	-	525	557	590
PROVINCIAL SALGA GAMES		318	318	318	800	850	850	850	495	525	556
INDIGENOUS GAMES		530	530	530	950	-	-	-	243	258	273
MKHAMBATHINI YOUTH SUMMIT		530	530	530	500	500	500	500	497	527	558
Electrification		-	-	-	8,000	-	-	-	8,000	3,500	6,400
EPWP expenditure		-	-	-	1,089	-	-	-	1,034	-	-
Library expenditure		-	-	-	1,325	-	-	-	1,617	1,714	1,817
MKHAMBATHINI MATRICS' TERTIARY REGISTRATION SUPPO		-	-	-	-	-	-	-	98	104	110
GOLDEN GAMES WARD BASED SELECTION		318	318	318	500	500	500	500	145	154	163
GOLDEN GAMES DISTRICT SELECTION		371	371	371	300	300	300	300	175	186	197
GOLDEN GAMES PROVINCIAL COMPETITIONS		900	900	900	400	400	400	400	95	101	107
SENIOR CITIZENS SUPPORT CLUBS JOINT DIALOGUES		890	890	890	690	650	650	650	105	111	118
MKHAMBATHINI SENIOR CITIZENS CHRISTMAS CELEBRATIO		500	530	530	520	500	500	500	194	206	218
MKHAMBATHINI DISABILITY FORUM AWARENESS CAMPAIGN		424	424	424	500	500	500	500	120	127	135
MKHAMBATHINI ANNUAL DISABILITY CELEBRATION		-	-	-	500	500	500	500	194	206	218
DISABILITY DISTRICT GAMES		212	212	212	637	600	600	600	255	270	287
MKHAMBATHINI ARTS AND CULTURE COMPETITIONS		210	212	212	881	830	830	830	650	689	730
REED DANCE ACTIVATION (AMAKHOSI)		742	742	742	400	600	600	600	20	21	22
REED DANCE (ENYOKENI)		-	-	-	159	150	150	150	108	114	121
CRAFTERS DEVELOPMENT TRAINING		191	191	191	6,737	6,350	6,350	6,350	70	74	79
Total 'Other' Expenditure		23,164	26,428	33,696	41,802	15,508	15,508	15,508	67,197	61,662	66,359
Repairs and Maintenance											
Employee related costs									695	744	796
Other materials									395	411	427
Contracted Services											
Other Expenditure		1,399	3,280	5,850	6,350	6,350	6,350	6,350	7,800	7,276	7,785
Total Repairs and Maintenance Expenditure		1,399	3,280	5,850	6,350	6,350	6,350	6,350	8,890	8,431	9,008

Table 39 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN226 Mkhambathini - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Municipal Manager	Vote 3 - Budget and Treasury Office	Vote 4 - Corporate Services	Vote 5 - Community Services	Vote 6 - Library	Vote 7 - Vehicle Registration and Testing	Vote 8 - Solid Waste	Vote 9 - Technical Services	Vote 10 - Technical Services	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates				14,272													14,272
Service charges - electricity revenue																	-
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue									562								562
Service charges - other																	-
Rental of facilities and equipment																	-
Interest earned - external investments				3,016													3,016
Interest earned - outstanding debtors				1,285													1,285
Dividends received																	-
Fines, penalties and forfeits				-													-
Licences and permits								5,331									5,331
Agency services																	-
Other revenue				401	30	21				491							943
Transfers and subsidies			6,110	10,302	6,666	14,365	1,617			29,107							68,167
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		-	6,110	29,277	6,696	14,386	1,617	5,331	562	29,598	-	-	-	-	-	-	93,577
Expenditure By Type																	
Employee related costs			5,447	4,657	5,309	4,805	1,005	3,559		7,446							32,227
Remuneration of councillors		5,864															5,864
Debt impairment				700													700
Depreciation & asset impairment				6,466													6,466
Finance charges				196													196
Bulk purchases																	-
Other materials																	-
Contracted services																	-
Transfers and subsidies																	-
Other expenditure		-	5,995	6,692	9,682	8,837	612	1,356	-	34,024							67,197
Loss on disposal of PPE																	-
Total Expenditure		5,864	11,442	18,711	14,991	13,642	1,617	4,915	-	41,470	-	-	-	-	-	-	112,650
Surplus/(Deficit)		(5,864)	(5,331)	10,566	(8,295)	745	-	416	562	(11,871)	-	-	-	-	-	-	(19,073)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)										15,835							15,835
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																	-
Transfers and subsidies - capital (in-kind - all)																	-
Surplus/(Deficit) after capital transfers & contributions		(5,864)	(5,331)	10,566	(8,295)	745	-	416	562	3,964	-	-	-	-	-	-	(3,238)

Table 40 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN226 Mkhambathini - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

KZN2020 Financial Position - Supporting detail to Budgeted Financial Position								2018/19 Medium Term Revenue & Expenditure Framework				
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome				
R thousand												
ASSETS												
Call investment deposits	2											
Call deposits												
Other current investments		5,256	14,080	36,218	12,000	12,000	12,000	12,000	52,737	45,858	40,000	
Total Call investment deposits		5,256	14,080	36,218	12,000	12,000	12,000	12,000	52,737	45,858	40,000	
Consumer debtors												
Consumer debtors	2	3,456	12,235	15,568	12,000	12,000	12,000	12,000	15,000	15,000	14,000	
Less: Provision for debt impairment		(4,890)	(6,617)	(5,590)	(5,590)	(5,590)	(5,590)	(5,590)	(6,290)	(6,590)		
Total Consumer debtors		3,456	7,345	8,951	6,410	6,410	6,410	6,410	9,110	8,710	7,410	
Debt impairment provision												
Balance at the beginning of the year			2,630	7,522	4,890	4,890	4,890	4,890	5,590	6,290	6,990	
Contributions to the provision			2,258	1,600	700	700	700	700	700	700	700	
Bad debts written off												
Balance at end of year		-	4,888	9,122	5,590	5,590	5,590	5,590	6,290	6,990	7,690	
Property, plant and equipment (PPE)												
PPE at cost/valuation (excl. finance leases)	3	91,188	116,453	132,991	154,892	154,892	154,892	154,892	157,373	175,057	193,479	
Leases recognised as PPE												
Less: Accumulated depreciation		11,584	21,978	26,678	26,678	26,678	26,678	26,678	33,376	39,376	45,376	
Total Property, plant and equipment (PPE)	2	79,604	94,475	106,313	128,214	128,214	128,214	128,214	123,997	135,681	148,103	
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)												
Current portion of long-term liabilities												
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-	
Trade and other payables												
Trade and other creditors	2	7,062	7,011	6,741	6,000	6,000	6,000	6,000	2,340	2,457	2,580	
Unspent conditional transfers			4,055	3,171								
VAT												
Total Trade and other payables		7,062	11,067	9,911	6,000	6,000	6,000	6,000	2,340	2,457	2,580	
Non current liabilities - Borrowing												
Borrowing	4											
Finance leases (including PPP asset element)												
Total Non current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-	
Provisions - non-current												
Retirement benefits												
List other major provision items												
Refuse landfill site rehabilitation												
Other		1,865	2,200	2,816	2,600	2,600	2,600	2,600	2,800	3,000	3,200	
Total Provisions - non-current		1,865	2,200	2,816	2,600	2,600	2,600	2,600	2,800	3,000	3,200	
CHANGES IN NET ASSETS												
Accumulated Surplus/(Deficit)												
Accumulated Surplus/(Deficit) - opening balance	1	35,809	71,770	96,951	129,062	129,062	129,062	129,062	189,193	187,667	188,703	
GRAP adjustments												
Restated balance		35,809	71,770	96,951	129,062	129,062	129,062	129,062	189,193	187,667	188,703	
Surplus/(Deficit)		25,181	34,435	28,157	16,746	13,643	13,643	13,643	(3,238)	2,176	5,881	
Appropriations to Reserves												
Transfers from Reserves												
Depreciation offsets												
Other adjustments												
Accumulated Surplus/(Deficit)			60,990	106,205	125,108	145,808	142,705	142,705	142,705	185,955	189,843	194,584
Reserves												
Housing Development Fund												
Capital replacement												
Self-insurance												
Other reserves												
Revaluation		13,673										
Total Reserves	2	13,673	-	-	-	-	-	-	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	2	74,662	106,205	125,108	145,808	142,705	142,705	142,705	185,955	189,843	194,584	

Table 41 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN226 Mkhambathini - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population						59	59	59	59	59	59	59
Females aged 5 - 14						8	8	8	8	8	8	8
Males aged 5 - 14						7	7	7	7	7	7	7
Females aged 15 - 34						11	11	11	11	11	11	11
Males aged 15 - 34						10	10	10	10	10	10	10
Unemployment						8	8	8	8	8	8	8
Monthly household income (no. of households)	1, 12											
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area						59	59	59	59	59	59	59
Number of poor people in municipal area												
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)						2,160	2,160	2,160	2,160	2,160	2,160	2,160
Housing statistics	3											
Formal						3,797	3,797	3,797	3,797	3,797	3,797	3,797
Informal						481	481	481	481	481	481	481
Total number of households			-	-	-	4,278	4,278	4,278	4,278	4,278	4,278	4,278
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						5.4%	5.4%	5.4%	6.0%	6.1%	5.9%	5.8%
Interest rate - borrowing						8.0%	8.0%	8.0%	6.0%	6.0%	6.0%	6.0%
Interest rate - investment						7.0%	7.0%	7.0%	6.0%	7.3%	5.9%	5.8%
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges						85.0%	60.0%	65.0%	70.0%	80.0%	85.0%	90.0%
Rental of facilities & equipment												
Interest - external investments						8.0%	8.0%	8.0%	6.0%	6.0%	6.0%	6.0%
Interest - debtors						6.0%	6.0%	6.0%	0.0%	1.0%	1.0%	1.0%
Revenue from agency services												



Municipal manager's quality certificate

OFFICE OF THE MUNICIPAL MANAGER

QUALITY CERTIFICATE

I, T C Ndlela, Municipal Manager of Mkhambathini Local Municipality, hereby certify that the Final Annual Budget and SDBIP with the supporting documentation for 2018/19 MTERF have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and the budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: T C Ndlela

Municipal Manager of Mkhambathini Local Municipality KZ226

Signature: _____

Date: 29 May 2018